

MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

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DISTRICT SUMMARY OF BUSINESS

The two most important news items of the month are the prospects for a large crop of small grain and the rise in the prices of hogs and cattle. Since the Ninth District is chiefly an agricultural district, these two developments are of prime importance as business factors for the coming months.

While the prevailing low prices of grain will reduce the cash income of northwestern farmers, the large crops which are in prospect will have very definitely stimulating effects in many ways. Probably the most certain business increase will be in the volume of freight carloadings. The Northwest Shippers Advisory Board forecasts a movement of grain in the three months, July, August and September, amounting to 98,000 cars, as compared with 33,337 cars moved last year in the same period. Already, the railroads have added substantially to their car-repair crews in anticipation of this increase in freight car requirements.

If the anticipated increase in grain carloadings occurs, it will add to the freight revenues of northwestern railroads which have suffered materially from the short crops. The 1932 small grain crop will be about as large as the 1928 crop, according to the Government forecast on July 1. In 1928, the railroads of the northwestern region received revenues from hauling crops and their products amounting to \$133,000,000, according to the report of the Interstate Commerce Commission. Freight revenues of the northwestern railroads from hauling crops and their products shrank in 1931 to \$82,000,000, a decrease of \$51,000,000 from the 1928 total. The table below gives figures for the last four calendar years showing the total freight revenues of the railroads of the northwestern region and the revenues of these railroads from hauling crops and their products. One-fourth of the total decline in freight revenues of these roads was due to reductions in revenue from hauling products of agriculture.

Freight Revenues of Railroads in the Northwestern

	Region Total Freight Revenue	Revenue from Products of Agriculture
1928.....	\$605,000,000	\$133,000,000
1929.....	600,000,000	112,000,000
1930.....	510,000,000	105,000,000
1931.....	392,000,000	82,000,000

The record of bank debits has been affected somewhat by the federal tax on checks which became effective on June 21. This new tax has caused some increase in the use of currency and some decrease in the use of bank checks for making payments. While it is impossible to make any definite estimate as to the effect of the tax on the dollar volume of bank debits, the effect is believed to be small, since most of the payments which have changed from check to cash as the medium are for small dollar amounts. The large items which constitute the bulk of the bank debits continue to be paid by check. The increase of currency of the smaller denominations (ones, fives, tens and twenties) in circulation in this district has been only 4 million dollars since June 21. Even at a rapid rate of turnover, this currency increase could only replace a small part of the bank debits which amounted to 586 million dollars in June at reporting cities of the district.

The index of bank debits for June, adjusted for ordinary seasonal variations, was 54, as compared with 58 in May. This decrease may have been partly due, as explained above, to the inauguration of the check tax in the last ten days of the month, but the greater part of the decrease in bank debits was due to business factors, including the very low level of ore shipments and grain receipts.

Bank debits in June were 31 per cent smaller than bank debits in June last year. During the first two weeks of July, bank debits made a more favorable comparison with the total for the corresponding period last year, the reduction being only 20 per cent. This probably reflects the beginning of the effect of the larger crop which is in prospect.

The country check clearings index has also been affected by the federal tax on checks. The effect of the new tax on this index has been twofold. In the first place, there has undoubtedly been a small reduction in the checks drawn on country banks, which would reduce the dollar amount of checks which this Federal Reserve Bank is asked to collect from country banks in the district. The second effect of the new check tax is that a larger portion of the checks drawn on country banks in this district will be given to this Federal Reserve Bank to collect. In the case of this index, as well as in the case of the bank debits index, the net effect of the various factors is obscure. The country check clearings in-

dex increased one point from May to June, and in June the index was 26 per cent below the index for June last year. In the first fourteen days of July, country check clearings were 13 per cent smaller than in the corresponding days last year. Thus, the reduction in July as compared with last year's records was smaller than the reduction in June, probably reflecting the larger crop which is in prospect.

The other business records of the district indicate that the volume of business in June was substantially smaller than the volume in June last year. There was a reduction in freight carloadings, excluding l. c. l. freight, of 48 per cent. L. c. l. freight carloadings were reduced 21 per cent. Other reductions in business volume as compared with last year's records occurred in electric power consumption, postal receipts, building permits and contracts, flour production and shipments, linseed products shipments, copper and iron ore output, grain and livestock marketings, department store sales, country lumber sales, life insurance sales, securities sales and wholesale trade. Business failures were more numerous in June than in the same month last year.

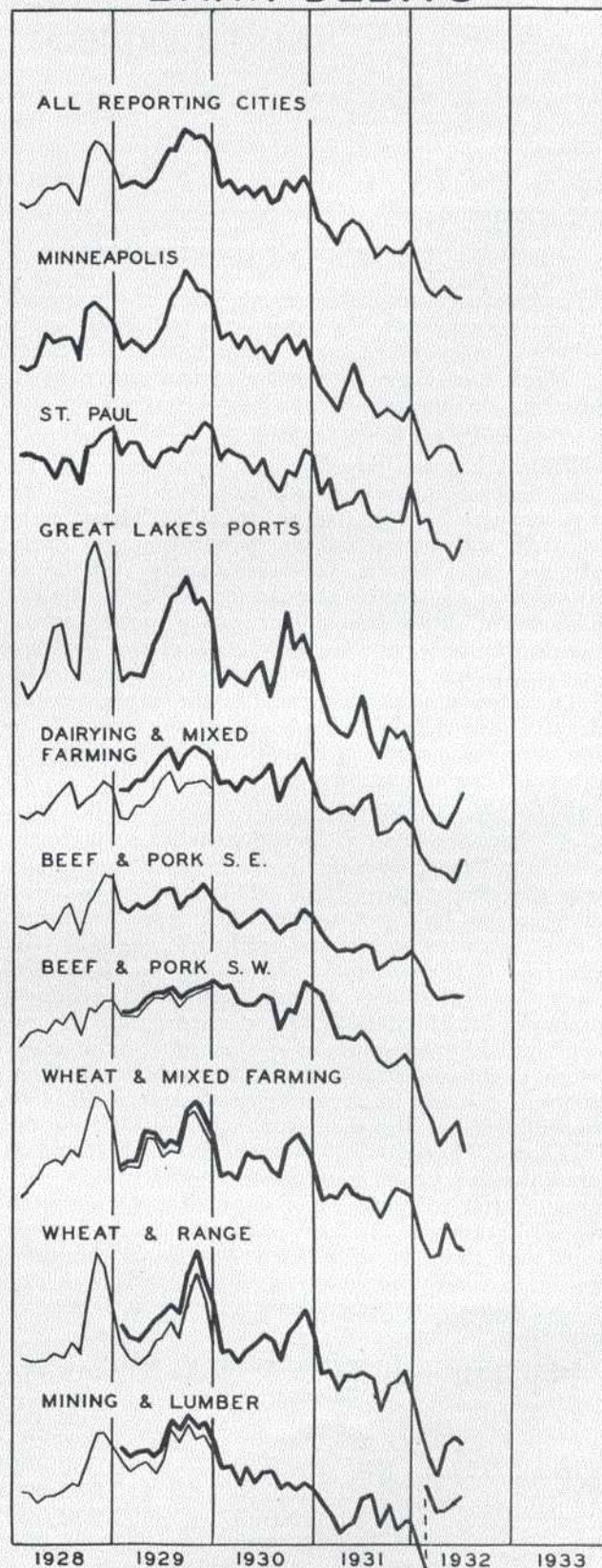
DISTRICT SUMMARY OF BANKING

The call for condition reports on June 30, 1932, affords another opportunity to inspect the changes in loans and investments of the member banks of the district. The spring call for condition reports was omitted this year, and it has, therefore, been impossible to measure the changes in the earning assets of the member banks since the close of December. This lack of information was especially important in the case of country member banks, since weekly data are collected giving the current history of the city member banks of the district.

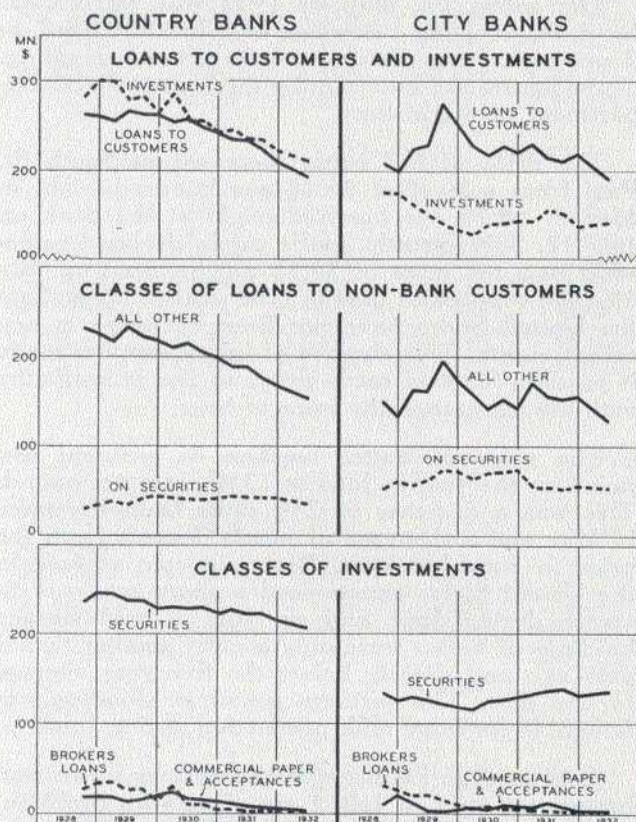
From other information, it has been known that the deposits of member banks in the district decreased sharply during the first half of 1932. It was also known that part of the decline in deposits was met by reductions of balances carried with correspondent banks, and, in the case of country banks, it was partly met by increases in borrowings from this Federal Reserve Bank, from correspondent banks and from the Reconstruction Finance Corporation. The new called reports for June 30 make it possible to study the effect of the deposit declines on the loans and investments of member banks.

Loans and investments of the member banks in this district decreased 53 million dollars during the six month period. This decrease was about evenly divided between city banks and country banks, with city banks reporting a 26 million dollar decrease and country banks reporting a 27 million dollar decrease. Of the decrease in the loans and investments of country member banks, approximately 3½ million dollars was due to bank failures during the half year, whose figures were necessarily omitted from the June tabulation.

NINTH FED. RES. DISTRICT BANK DEBITS



Loans to customers by the member banks of the district decreased 43 million dollars during the six month period, and investments decreased 10 million dollars. The trends in these items were quite different at city and country banks. The city banks experienced a decrease of 28 million dollars in loans to customers and an increase of 2 million dollars in investments. Country banks experienced decreases of 15 million dollars in loans to customers and 12 million dollars in investments.



Loans and Investments of City and Country Member Banks in the Ninth Federal Reserve District on call dates, 1928-1932.

The decrease in loans to customers at the member banks of the district was chiefly in the miscellaneous loans other than loans on real estate, security loans and loans to banks. This miscellaneous class of loans decreased 37½ million dollars in the six month period. Loans to customers on securities decreased 9 million dollars, loans on city real estate decreased 1½ million dollars, loans on farm land showed practically no change and loans to banks increased 5 million dollars.

The decrease in investments was about evenly divided between decreases in bonds and securities and decreases in short term investments, which include bankers' acceptances, commercial paper and brokers' loans. On June 30, there remained only 7 million dollars of these short term investments in the member banks of the district.

Turning to banking developments of the past

few weeks, the figures for reporting city member banks show that they experienced a sharp decline in deposits after June 1, and their total deposits on July 13 were at the lowest point in the six year period for which figures are available. The decrease in deposits at these city banks was chiefly in time deposits and balances due to country banks, although smaller declines also occurred in public demand deposits and other demand deposits. This decrease in deposits was largely offset by reductions in balances due from banks, but loans to customers and other invested funds also decreased moderately.

On July 13, the deposits of reporting city member banks were 22 per cent smaller than a year ago; their loans to customers and other invested funds were each 12 per cent smaller than a year ago; and the total of their cash and balances due from banks was 42 per cent below the total a year ago. These banks were borrowing a small amount from this bank on July 13, whereas last year on the same date they were out of debt to this bank.

Country member banks experienced a decline of about 2 per cent in deposits between the daily average for May and the daily average for June. This is the nineteenth month of continuous decline in country member bank deposits in the district. The deposits of these banks in June were 18 per cent smaller than in June last year. The smallest decreases occurred in Minnesota and the northern peninsula of Michigan.

Borrowings by country member banks from this Federal Reserve Bank reached the highest level of the year on July 13, and on that date, they were larger than at any time since the fall of 1924. During June, there was a seasonal decrease in country member bank borrowings from this bank due to the peak of income from dairy output, but this seasonal decline was less than usual and was entirely cancelled in the first half of July.

DISTRICT SUMMARY OF AGRICULTURE

Crops

The 1932 crops in the four northwestern states will be much larger than last year's crop. On July 1, the crop was estimated to equal the crop of 1928, according to the July 1 forecasts of the United States Department of Agriculture. The crops of wheat, barley and potatoes were forecast to be the largest since 1928; the oats crop the largest since 1925; and the tame hay crop the largest since 1927. The corn crop was forecast on July 1 to be the largest in history. The recent period of hot dry weather will reduce the size of the corn crop and the later portions of the other crops.

The United States Department of Agriculture July 1 production forecast for bread spring wheat was larger than any crop harvested since 1918, and 43 per cent larger than the 1922-1931 average. The production forecast for durum was smaller than a

majority of the crops harvested since 1918, and 6 per cent smaller than the ten-year average.

The total United States wheat forecast on July 1, owing to the relatively small amount of winter wheat to be harvested this year, was only 737,000,000 bushels, compared with 892,000,000 bushels harvested last year. The 1932 wheat crop in the United States will be smaller than any wheat crop harvested since 1917, with the single exception of the 1925 crop.

The northwestern acreage planted to crops in 1932 is the largest in history, according to the estimates of the United States Department of Agriculture. The acreage of the spring sown grains, together with the acreage of winter grain remaining for harvest, amounted to 59,541,000 acres in the four complete states of this district. This was more than 1 million acres above the previous peak of acreage reached in 1930 and was 11 million acres larger than the acreage harvested in 1931, when there was much abandonment of crops that were too poor to harvest. The acreage of corn in 1932 in these states was the largest in history.

Spring wheat acreage in the four complete states in the Ninth Federal Reserve District as estimated by the United States Department of Agriculture on July 1, is almost as large as in 1928. The 1932 spring wheat acreage is larger than in any year since 1919, excepting 1928. The July 1 United States Department of Agriculture acreage estimates are 6 per cent greater than the March 1 "intentions" figure in our four states, but only about 1½ per cent greater in all other spring wheat states.

Most of the increased spring wheat acreage, as compared with last year's harvested acreage and the March 1 "intentions" report, has been planted to bread wheat. Owing to the unusually heavy abandonment of all spring wheat acreage last year, both the durum and the bread spring wheat estimates for 1932 show a large increase compared to the 1931 harvested acreages, but the bread wheat acreage of the 1932 estimate is 63 per cent greater and the durum acreage only 44 per cent greater. The 1932 bread spring wheat acreage estimate is 26 per cent greater than the 1922-1931 average, and the durum estimate is 13 per cent smaller than the same ten year average.

Livestock

The price of hogs advanced steadily for several weeks from a low level of \$2.90 per hundredweight at South St. Paul to a peak of \$5.10 on July 11. This advance proved to have been too rapid, especially in view of the hot weather, which reduced pork consumption, and the price of hogs declined to \$4.40 per hundred on July 19.

This rise in hog prices was due to two principal causes,—smaller than average pork supplies and a reduction in the spring pig crop. Cold storage hold-

ings of pork in the United States on July 1 were 731 million pounds as compared with 774 million pounds on July 1, 1931, and 811 million pounds, which was the five year average for July 1. Lard in cold storage amounted to 131 million pounds on July 1, which was an increase over the 115 million pounds held a year ago, but was a decrease from the five year average holdings of 159 million pounds.

The spring pig crop of 1932 was 50,093,000 head, representing a decrease of 3,758,000 head, or 7 per cent, from the crop of the preceding spring. These figures are estimates by the United States Department of Agriculture.

The price of fed cattle increased at South St. Paul from a level of \$6.25 per hundredweight in May to \$8.75 per hundredweight at the peak on July 12. Subsequently, cattle prices declined somewhat to a top price of \$7.75 per hundred on July 19. The supplies of beef in cold storage throughout the United States have not been excessive in any recent month. This absence of heavy supplies made it possible for beef cattle prices to rise in sympathy with the increase in the price of hogs.

The price of butter reached its seasonal low point for the year in June at 13¾ cents per pound. This was a decrease of 2½ cents from the price in May and a decrease of nearly 7 cents from the price in June last year. Butter in cold storage in the United States experienced a sharp seasonal increase during June and on July 1 cold storage holdings of butter were only slightly smaller than a year ago and slightly below the five year average for the date. The northern pasture situation was favorable for large milk production during June.

Cold storage holdings of the various meats and butter and eggs on July 1 are given with comparative data in the following table.

United States Cold Storage Holdings

	(In thousands of pounds)		
	July 1, 5-year Average	July 1, 1931	July 1, 1932
Beef	48,097	45,548	29,783
Pork	811,090	774,651	731,210
Lard	159,476	115,561	131,509
Lamb and Mutton...	2,775	2,685	1,003
Butter	89,480	89,172	84,152
Poultry	43,463	32,762	36,689
Eggs*	12,565	12,750	9,209

*Thousand cases.

Farm Income

Farmers' cash income from seven important items was 42 per cent smaller in June than in the same month last year. All important farm product prices were lower in June than a year ago.

NINTH FEDERAL RESERVE DISTRICT

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ACREAGE ESTIMATES AND JULY 1, 1932 PRODUCTION FORECASTS, BY STATES, WITH COMPARISONS,
UNITED STATES DEPARTMENT OF AGRICULTURE

(000's omitted)

SPRING BREAD WHEAT

	Acreage		Forecast 7-1-32	Production	
	1932	1931		1931	10-Yr. Av.
Minn.	1,182	946	16,548	13,055	18,758
Mont.	3,640	1,750	61,880	10,500	38,543
No. Dak....	7,556	4,318	86,894	21,590	63,693
So. Dak....	2,714	1,774	35,282	9,225	18,693
4 States...	15,092	8,788	200,604	54,370	139,687
U. S.	18,028	11,071	250,464	86,411	189,052

DURUM WHEAT

	Acreage		Forecast 7-1-32	Production	
	1932	1931		1931	10-Yr. Av.
Minn.	149	126	2,160	1,764	2,968
Mont.	44	20	704	64	894
No. Dak....	2,835	1,886	36,855	11,127	41,620
So. Dak....	1,113	837	15,026	5,440	13,096
4 States...	4,141	2,869	54,745	18,395	58,578

ALL SPRING WHEAT

	Acreage		Forecast 7-1-32	Production	
	1932	1931		1931	10-Yr. Av.
Minn.	1,331	1,072	18,708	14,819	21,726
Mont.	3,684	1,770	62,584	10,564	39,437
No. Dak....	10,391	6,204	123,749	32,717	105,313
So. Dak....	3,827	2,611	50,308	14,665	31,789
4 States...	19,233	11,657	255,349	72,765	198,265
U. S.	22,169	13,940	304,745	104,806	247,631

ALL WHEAT

	Acreage		Forecast 7-1-32	Production	
	1932	1931		1931	10-Yr. Av.
Minn.	1,480	1,224	21,837	18,011	24,567
Mont.	4,304	2,182	73,744	14,684	48,398
No. Dak....	10,391	6,204	123,749	32,717	105,313
So. Dak....	4,095	2,796	54,864	15,831	33,225
4 States...	20,270	12,406	274,194	81,243	211,503
U. S.	55,414	54,949	736,507	892,271	831,256

WINTER WHEAT

	Acreage		Forecast 7-1-32	Production	
	1932	1931		1931	10-Yr. Av.
Minn.	149	152	3,129	3,192	2,841
Mont.	620	412	11,160	4,120	8,961
No. Dak....
So. Dak....	268	185	4,556	1,166	1,436
4 States...	1,037	749	18,845	8,478	13,238
U. S.	33,245	41,009	431,762	787,465	583,626

RYE

	Acreage		Forecast 7-1-32	Production	
	1932	1931		1931	10-Yr. Av.
Minn.	310	365	5,704	5,475	9,382
Mont.	54	20	702	100	794
No. Dak....	888	819	11,544	4,914	15,187
So. Dak....	541	373	8,115	2,723	3,646
4 States...	1,793	1,577	26,065	13,212	29,009
U. S.	3,324	3,143	44,307	32,746	49,205

CORN

	Acreage		Forecast 7-1-32	Production	
	1932	1931		1931	10-Yr. Av.
Minn.	4,896	4,896	171,360	115,056	136,015
Mont.	192	123	3,072	1,722	3,273
No. Dak....	1,368	1,159	34,200	21,442	22,014
So. Dak....	5,224	4,837	127,988	25,152	100,746
4 States...	11,680	11,015	336,620	163,372	262,138
U. S.	108,609	104,970	2,995,850	2,556,863	2,582,672

FLAX

	Acreage		Forecast 7-1-32	Production	
	1932	1931		1931	10-Yr. Av.
Minn.	689	861	5,856	6,027	6,264
Mont.	304	160	1,976	331	1,124
No. Dak....	1,320	1,006	7,920	3,521	8,227
So. Dak....	250	185	1,976	416	2,969
4 States...	2,563	2,212	17,728	10,295	17,584
U. S.	2,667	2,325	18,243	11,071	19,169

OATS

	Acreage		Forecast 7-1-32	Production	
	1932	1931		1931	10-Yr. Av.
Minn.	4,666	4,575	163,310	123,525	149,484
Mont.	384	183	11,520	2,654	12,049
No. Dak....	2,115	1,498	50,760	18,276	48,847
So. Dak....	2,408	1,745	75,852	20,068	66,920
4 States...	9,573	8,001	301,442	164,523	277,300
U. S.	41,994	39,722	1,217,244	1,112,142	1,226,882

POTATOES

	Acreage		Forecast 7-1-32	Production	
	1932	1931		1931	10-Yr. Av.
Minn.	372	361	34,224	28,880	33,519
Mont.	21	19	2,520	1,805	3,393
No. Dak....	160	114	13,120	8,436	10,612
So. Dak....	68	54	5,916	2,160	5,227
4 States...	621	548	55,780	41,281	52,751
U. S.	3,411	3,371	377,769	375,518	387,555

BARLEY

	Acreage		Forecast 7-1-32	Production	
	1932	1931		1931	10-Yr. Av.
Minn.	1,968	1,874	48,216	37,480	34,113
Mont.	221	139	5,746	1,946	3,522
No. Dak....	2,518	1,812	45,324	18,482	33,161
So. Dak....	2,108	1,833	48,484	16,680	24,517
4 States...	6,815	5,658	147,770	74,588	99,213
U. S.	13,895	11,428	312,422	198,185	219,088

TAME HAY

	Acreage		Forecast 7-1-32	Production	
	1932	1931		1931	10-Yr. Av.
Minn.	2,525	2,536	4,040	2,756	3,220
Mont.	1,433	1,636	2,293	1,492	1,843
No. Dak....	1,090	1,571	1,526	1,097	1,236
So. Dak....	1,158	1,195	1,390	558	1,210
4 States...	6,206	6,938	9,249	5,903	7,509
U. S.	52,424	53,449	68,259	64,233	72,639

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS				AGRICULTURE			
Debits to Individual Accounts ¹	June '32	June '31	Per Cent of June '32	Farmers' Cash Income	June '32	June '31	Per Cent of June '32
All Reporting Cities.....	\$ 22,418,800	\$ 32,465,500	69	Total of 7 Items.....	\$ 16,043,000	\$ 27,642,000	58
Minneapolis.....	9,090,000	13,417,000	68	Bread Wheat.....	1,176,000	4,496,000	26
St. Paul.....	4,552,000	5,934,000	77	Durum Wheat.....	437,000	1,964,000	22
South St. Paul.....	421,000	794,000	53	Rye.....	90,000	120,000	75
Great Lakes Ports.....	1,903,100	3,144,000	61	Flax.....	407,000	1,166,000	35
Beef and Pork, S. E.....	874,200	1,121,400	78	Potatoes.....	170,000	173,000	98
Beef and Pork, S. W.....	811,600	1,436,800	56	Dairy Products.....	10,880,000	13,403,000	81
Dairy and Mixed Farming.....	1,217,900	1,633,200	75	Hogs.....	2,883,000	6,320,000	46
Wheat and Mixed Farming.....	1,432,100	1,852,000	77	Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Wheat and Range.....	702,000	1,010,600	69	Bread Wheat.....	1,619,000	5,062,000	32
Mining and Lumber.....	1,414,900	2,118,500	67	Durum Wheat.....	788,000	3,087,000	26
Electric Power Consumption (K.W.H.) ^{1,2}				Rye.....	280,000	331,000	85
Minn., No. Dak. and So. Dak.....	4,377,000	4,723,000	93	Flax.....	389,000	788,000	49
Montana.....	1,510,000	2,706,000	56	Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)			
Country Check Clearings ¹				Wheat.....	37,011,166	67,950,949	54
Total.....	\$ 2,099,600	\$ 2,839,900	74	Corn.....	47,240	139,023	34
Minnesota.....	831,200	1,038,600	80	Oats.....	3,121,149	3,782,418	83
Montana.....	353,200	495,800	71	Barley.....	1,395,914	2,357,379	59
North and South Dakota.....	483,600	683,900	71	Rye.....	5,587,396	5,603,295	100
Michigan and Wisconsin.....	431,600	621,600	69	Flax.....	897,620	809,030	111
Postal Receipts				Livestock Receipts at So. St. Paul (Head)			
Six Cities.....	804,100	908,900	88	Cattle.....	45,346	61,775	73
Minneapolis.....	436,100	483,400	90	Calves.....	46,344	46,490	100
St. Paul.....	248,600	288,900	86	Hogs.....	142,437	179,739	79
Duluth.....	49,200	55,400	89	Sheep.....	20,972	26,109	80
Three Other Cities.....	70,200	81,200	86	Median Cash Grain Prices (Bus.)			
Freight Carloadings—N. W. District				Wheat—No. 1 Dark Northern.....	\$0.63½	\$0.76½	83
Total—Excluding L.C.L.....	174,267	338,310	52	Durum—No. 2 Amber.....	.55½	.64½	86
Grains and Grain Products.....	21,093	33,245	63	Corn—No. 3 Yellow.....	.31	.50	62
Livestock.....	15,340	24,523	63	Oats—No. 3 White.....	.21	.24½	86
Coal.....	10,228	15,667	65	Barley—No. 3.....	.34½	.38	91
Coke.....	2,627	3,694	71	Rye—No. 2.....	.32½	.36½	89
Forest Products.....	17,941	33,342	54	Flax—No. 1.....	1.04½	1.48	71
Ore.....	6,101	82,884	7	Median Livestock Prices (Cwt.)			
Miscellaneous.....	100,934	144,955	70	Butcher Cows.....	\$3.50	\$4.75	74
Merchandise—L.C.L.....	93,661	118,938	79	Butcher Steers.....	6.25	7.00	89
Building Permits				Prime Butcher Steers.....	7.25	7.65	95
Number—18 Cities.....	993	1,490	67	Feeder Steers.....	3.50	5.25	67
Value—18 Cities.....	\$ 1,005,800	\$ 5,407,600	19	Veal Calves.....	5.50	6.50	85
Minneapolis.....	215,700	627,200	34	Hogs.....	3.10	5.50	56
St. Paul.....	254,100	3,923,900	6	Heavy Hogs.....	2.65	5.25	50
Duluth-Superior.....	140,200	87,300	161	Lambs.....	5.25	6.50	81
4 Wheat Belt Cities.....	73,700	107,800	68	Ewes.....	1.50	1.50	100
6 Mixed Farming Cities.....	282,300	569,800	50	Wholesale Produce Prices			
4 Mining Cities.....	39,800	91,600	43	Butter (Lb.).....	\$0.13¾	\$0.20½	67
Building Contracts (F. W. Dodge Corp.)				Milk (Cwt.).....	.97	1.38	70
Total.....	\$ 6,112,900	\$ 12,401,200	49	Hens (Lb.).....	.10	.14	71
Commercial.....	179,400	1,454,900	12	Eggs (Dox.).....	.09¾	.12	77
Factories.....	47,500	144,000	33	Potatoes (Bu.).....	.72	1.05	63
Educational.....	229,000	516,000	44	TRADE			
Hospitals, etc.....	13,500	172,600	8	Department Stores			
Public.....	62,800	3,265,300	2	Sales.....	\$ 2,295,700	\$ 3,000,260	77
Religious and Memorial.....	23,000	252,000	9	Merchandise Stocks.....	5,458,200	6,340,450	86
Social and Recreational.....	113,400	145,100	78	Receivables.....	2,865,330	3,440,770	83
Residential.....	746,400	1,395,600	53	Instalment Receivables.....	592,890	711,350	83
Public Works and Utilities.....	4,697,900	5,055,700	93	Furniture Stores			
Real Estate Activity in Hennepin and Ramsey Counties				Total Sales.....	\$ 74,400	\$ 85,400	87
Warranty Deeds Recorded.....	806	827	97	Instalment Sales.....	52,470	61,610	85
Mortgages Recorded.....	1,003	1,240	81	Merchandise Stocks.....	557,480	503,960	111
Manufacturing and Mining				Instalment Receivables.....	780,430	768,820	102
Flour Production at Mpls., St. Paul, and Duluth-Superior (Bbls.).....	613,523	743,523	83	Country Lumber Yards			
Flour Shipments at Mpls. (Bbls.).....	584,653	736,709	79	Sales (Bd. Ft.).....	6,609,000	10,084,000	66
Linseed Product Shipments (Lbs.).....	8,331,038	14,440,550	58	Lumber Stocks (Bd. Ft.).....	66,826,000	79,017,000	85
Copper Output (5 Firms) (Lbs.).....	12,607,000	24,147,200	52	Total Sales.....	\$ 763,700	\$ 1,276,800	60
Iron Ore Shipments (Tons).....	233,557	3,808,043	6	Receivables.....	2,615,700	3,675,600	71
Business Failures				Life Insurance Sales			
Number.....	87	46	189	Four States.....	\$ 14,471,000	\$ 20,542,000	70
Liabilities.....	\$ 738,166	\$ 365,702	202	Minnesota.....	10,581,000	14,821,000	71
				Montana.....	1,766,000	2,006,000	88
				North Dakota.....	1,036,000	1,475,000	70
				South Dakota.....	1,088,000	2,240,000	49

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

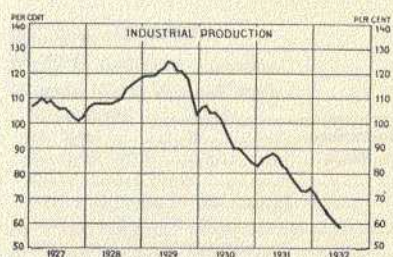
	June '32	June '31	Per Cent of June '31		June '32	June '31	Per Cent of June '31
Investment Dealers				Interest Rates¹			
Sales to Banks.....	1,530,200	3,947,000	39	Minneapolis Banks	4¾-5	4¼-4½	
Sales to Insurance Companies.....	182,500	404,700	45	Commercial Paper (net to borrower)...	3	2½	
Sales to General Public.....	3,682,000	3,535,300	104	Minneapolis Federal Reserve Bank.....	3½	3½	
Wholesale Trade				Selected City Member Banks	July 13, '32	July 15, '31	
Groceries—				Loans to Customers.....	\$188,348,000	\$213,885,000	88
Sales	\$ 3,269,860	\$ 3,819,750	86	Other Invested Funds.....	138,547,000	156,665,000	88
Stocks	5,065,740	5,647,770	90	Cash and Due from Banks.....	74,420,000	127,883,000	58
Receivables	4,191,790	4,473,800	94	Deposits Due to Banks.....	50,557,000	85,506,000	59
Hardware—				Public Demand Deposits.....	37,689,000	48,775,000	77
Sales	\$ 1,161,020	\$ 1,330,020	87	Other Demand Deposits.....	127,636,000	165,572,000	77
Stocks	2,162,140	2,455,230	88	Time Deposits	137,740,000	151,407,000	91
Receivables	1,515,370	1,630,050	93	Total Deposits	354,546,000	452,399,000	78
Shoes—				Borrowings at Fed. Res. Bank.....	1,519,000	0	
Sales	\$ 148,230	\$ 208,410	71	Minneapolis Federal Reserve Bank			
Stocks	584,850	710,980	82	Loans to Member Banks.....	12,384,000	3,923,000	316
Receivables	487,250	683,970	71	Twin Cities	890,000	25,000	3560
BANKING				Minn., Wis. and Mich.....	4,758,000	978,000	487
Member Bank Deposits				N. Dak. and Mont.....	3,388,000	1,521,000	223
In Cities Over 15,000 pop.....	\$404,314,000	\$471,932,000	86	South Dakota	3,348,000	1,399,000	239
In Cities Under 15,000 pop.....	312,251,000	381,054,000	82	Fed. Res. Notes in Circulation.....	79,043,000	49,856,000	159
Michigan—15 Cos.	55,111,000	65,307,000	84	Member Bank Reserve Deposits.....	41,442,000	46,445,000	89
Minnesota	126,447,000	146,116,000	87				
Montana	41,819,000	54,173,000	77				
North Dakota	30,425,000	39,598,000	77				
South Dakota	36,468,000	48,523,000	75				
Wisconsin—26 Cos.	21,981,000	27,937,000	80				

¹Daily Averages.
²Latest Reported Data.

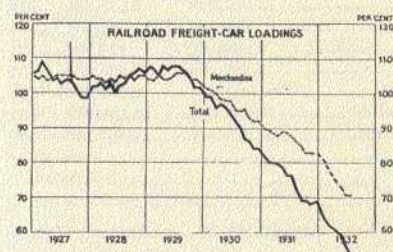
BANK DEBITS

Number of Business Days:	June 1932	May 1932	June 1931	May 1931
Montana	26	25	26	24
South Dakota	26	24	26	25
All other States in District.....	26	25	26	25

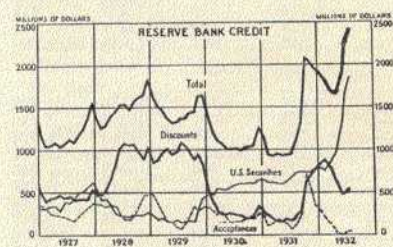
	June 1932	May 1932	June 1931	May 1931
Michigan				
(000's omitted)				
Escanaba (1 Bank)	\$ 472	\$ 504	\$ 766	\$ 854
Hancock	1,236	720	1,470	1,210
Houghton	1,408
Iron Mountain	2,667	2,231	3,533	3,577
Iron River, Caspian.....	351	784	1,073	1,132
Marquette	3,132	2,841	4,763	3,778
Menominee	1,958	2,076	2,809	2,524
Sault Ste. Marie.....	2,046	1,887	2,708	2,249
Minnesota				
Albert Lea	2,429	2,227	2,753	2,870
Austin (1 Bank)	2,776	2,808	3,201	3,604
Bemidji (2 Banks).....	831	936	1,109	1,251
Chaska	612	447	655	543
Chisholm	1,154	618	1,389	741
Cloquet	1,572	896	2,242	1,635
Crookston	1,030	1,042	1,291	1,169
Detroit Lakes	906	787	1,183	849
Duluth	37,757	32,416	64,945	53,765
Ely	556	440	722	480
Faribault (1 Bank).....	1,173	878	966	1,145
Farmington	199	179	246	271
Fergus Falls	2,141	1,948	2,851	2,556
Glenwood	307	353	518	392
Hutchinson	822	847	1,243	1,175
Lakefield (2 Banks).....	226	179	336	234
Lanesboro	268	263	321	338
Little Falls (3 Banks).....	871	728	1,094	854
Luverne	541	470	711	597
Mankato	4,964	4,168	6,173	5,238
Minneapolis	236,346	248,102	341,812	391,795
Moorhead	1,134	1,177	1,329	1,171
Morris	354	369	494	493
Owatonna	1,888	2,075	2,786	2,831
Park Rapids	312	270	471	356
Red Wing	1,562	1,656	2,119	2,173
Rochester	4,647	3,975	5,473	5,131
St. Cloud	3,170	3,091	3,882	4,149
St. Paul	118,353	103,501	154,387	139,099
South St. Paul	10,957	10,795	20,645	20,819
Stillwater	1,708	1,471	2,028	1,858
Thief River Falls.....	690	647	846	683
Two Harbors	334	324	477	458
Virginia	1,791	1,856	2,351	1,380
Wabasha	767	602	762	584
Wadena (1 Bank)	298	296	370	322
Wheaton	344	297	599	405
Willmar (1 Bank)	1,226	880	1,452	1,192
Winona	5,195	5,241	6,752	5,951
Worthington (1 Bank).....	481	488	751	715
Montana				
Anaconda	1,108	1,016	1,895	1,591
Billings	5,291	4,813	7,806	6,970
Bozeman	1,580	1,535	2,374	1,860
Butte (2 Banks).....	7,565	6,226	13,776	9,798
Deer Lodge	703	765	1,038	817
Glendive	741	741	938	969
Great Falls	7,519	9,154	12,059	10,604
Harlowton	208	186	323	264
Hayre	1,031	1,061	1,522	1,269
Helena	6,396	5,010	8,150	6,791
Kalispell	1,474	1,378	1,966	1,663
Lewistown	1,374	1,212	1,837	1,644
Malta	476	549	594	675
Miles City (1 Bank).....	923	815	1,431	1,390
North Dakota				
Bismarck	8,622	8,741	9,756	10,422
Devils Lake	1,013	991	1,350	1,230
Dickinson	892	883	1,313	1,525
Fargo	11,869	11,672	15,090	14,901
Grafton	297	350	363	383
Grand Forks	4,794	4,338	6,291	5,789
Jamestown	1,408	1,341	2,447	2,132
Mandan	821	832	1,268	1,490
Minot	3,979	4,324	5,403	5,338
Valley City	948	778	1,185	1,127
Wahpeton	628	654	820	918
Williston	697	869	1,020	1,036
South Dakota				
Aberdeen	3,852	3,439	5,701	5,497
Brookings (1 Bank).....	631	642	899	937
Deadwood	671	797	743	902
Huron	2,991	3,234	5,292	5,072
Lead	1,149	1,371	1,254	1,248
Madison	674	652	1,001	1,048
Milbank	362	394	567	556
Mitchell (2 Banks).....	2,025	2,048	3,578	3,216
Mobridge	450	414	565	554
Pierre	1,026	1,053	1,271	1,190
Rapid City	2,450	2,560	3,544	3,410
Sioux Falls	9,888	10,965	18,993	18,173
Watertown	2,019	2,205	3,324	3,271
Yankton	1,263	1,421	2,243	2,294
Wisconsin				
Ashland	1,444	1,377	1,921	1,772
Chippewa Falls	1,486	1,399	1,864	1,794
Eau Claire	4,641	4,789	8,212	7,047
Hudson (2 Banks).....	530	393	552	619
La Crosse	7,513	7,318	10,530	9,611
Merrill (1 Bank).....	700	772	1,224	1,164
Superior	4,295	3,984	6,163	6,040
Total for All Cities Reporting				
Both Years	\$586,130	\$570,750	\$834,157	\$838,525



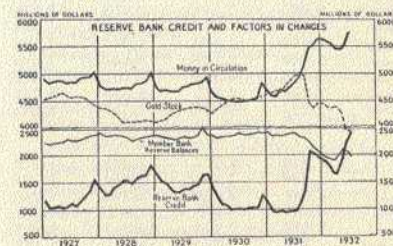
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)



Indexes of daily average number of cars loaded; adjusted for seasonal variation. (1923-1925 average = 100.)



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 20 days in July.



Monthly averages of daily figures. Latest figures are averages of first 20 days in July.

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

Industrial activity decreased further from May to June by somewhat more than the usual seasonal amount and there was a considerable reduction in factory employment and payrolls. The general level of commodity prices advanced between the middle of June and the middle of July, reflecting chiefly a rise in the prices of livestock and meats.

PRODUCTION AND EMPLOYMENT: The volume of industrial production, as measured by the Board's seasonally adjusted index, declined from 60 per cent of the 1923-1925 average in May to 59 per cent in June. There were large decreases in output in the steel, coal and meat packing industries, while at automobile factories, daily average production showed a smaller decline than is usual at this season, and at woolen mills, activity increased, contrary to seasonal tendency. Consumption of cotton by domestic mills showed the usual seasonal decline.

At manufacturing establishments, there was a further reduction of 3.6 per cent in number of employees and of 7.8 per cent in earnings between the middle of May and the middle of June. Decreases in employment were general, with the exception of the automobile and tobacco industries and of seasonally active industries, such as vegetable and fruit canning and the manufacture of ice cream. The largest decreases were in the steel, textile, chemical and machinery industries and at railway repair shops.

The daily average value of building contracts awarded, as reported by the F. W. Dodge Corporation, declined in June, but increased in the first half of July.

Department of Agriculture estimates as of July 1 indicate a corn crop of 3,000,000,000 bushels, the largest since 1923; a winter wheat crop of 432,000,000 bushels, 45 per cent smaller than last year and 21 per cent less than the five year average; a spring wheat crop of 305,000,000 bushels, three times as large as last year and slightly larger than the average; and a tobacco crop one-fifth smaller than usual.

DISTRIBUTION: The volume of railroad freight traffic declined somewhat further in June and the value of merchandise sold by department stores decreased by more than the usual seasonal amount.

WHOLESALE PRICES: The level of prices in wholesale markets, after declining steadily during May, was relatively stable early in June, and after the middle of the month, there was an advance which continued through the second week in July. Prices of several leading commodities, including livestock and meats, cotton and sugar increased considerably during June and the first half of July, but later showed some recession. Prices of wheat declined to unusually low levels, and markets for copper and lead continued weak.

BANK CREDIT: The volume of Reserve bank credit continued to increase between the middle of June and the middle of July, reflecting principally further purchases of United States Government securities by the Reserve banks. In addition, member banks obtained Reserve bank funds through an increase in the monetary stock of gold and a decline in deposits held with the Reserve banks by foreign central banks. Funds released from these sources were absorbed by an increase in the demand for currency, which also caused the member banks to draw on their balances with the Reserve banks and to increase their discounts somewhat. The demand for currency, which for the period amounted to \$270,000,000, was caused by banking disturbances largely in the Chicago district, by seasonal requirements at the turn of the month and the Fourth of July holiday, and by increased use of cash to avoid the tax on checks.

Loans and investments of reporting member banks, after fluctuating widely during June, declined in the first two weeks of July and on July 13 totaled \$18,475,000,000, about \$540,000,000 less than on June 1. There was a further decline in loans, while the banks' investments in United States Government securities, after increasing substantially during the period of treasury financing in mid June, declined gradually, but on July 13 were still \$90,000,000 larger than six weeks earlier.

Money rates in the open market declined further during June and the first half of July. At the Federal Reserve Bank of New York, buying rates for bankers' acceptances maturing within 90 days were reduced from $2\frac{1}{2}$ to 1 per cent on June 24. On the same day, the bank lowered its discount rate from 3 per cent to $2\frac{1}{2}$ per cent, and on the following day, the rate at the Chicago Bank was reduced from $3\frac{1}{2}$ per cent to $2\frac{1}{2}$ per cent.