

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 seasonally 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.

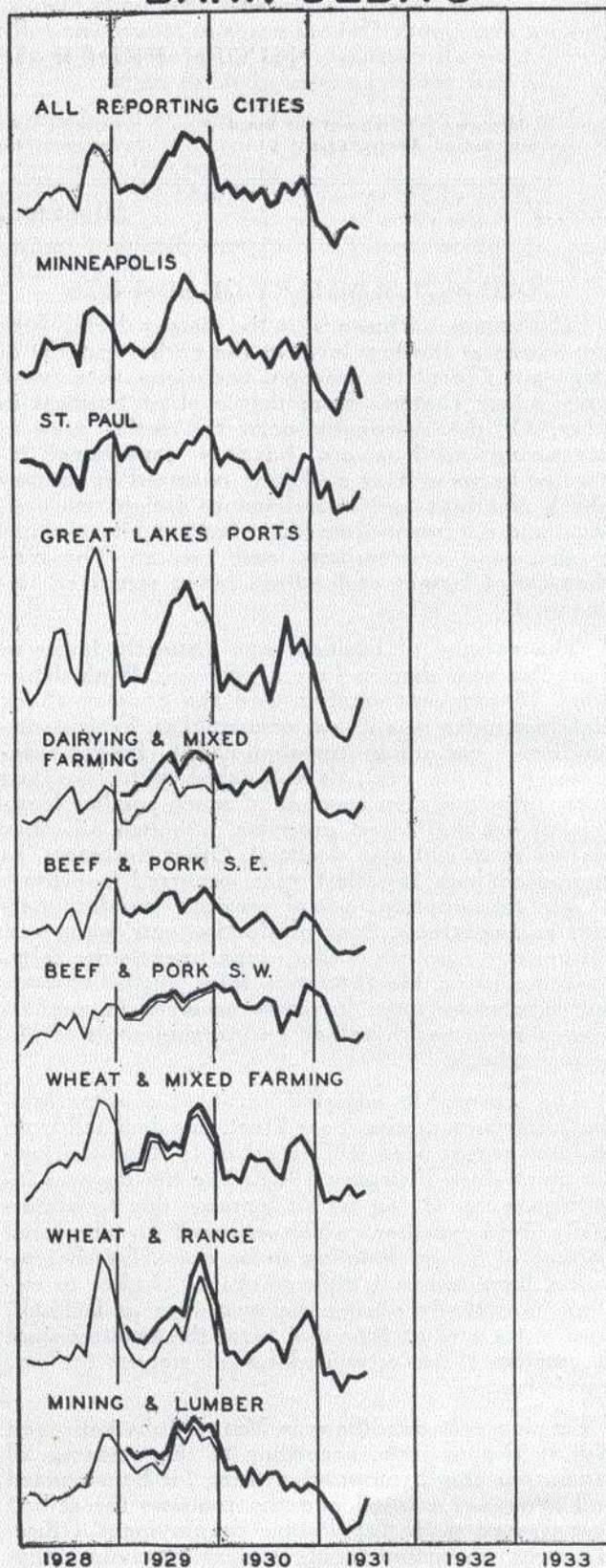
The number of acres comprising the reduction in Montana was only about half as great as in North Dakota, but on account of the much smaller total acreage planted to the eight principal crops, the percentage of reduction is considerably greater, almost 17 per cent. Nearly all of the reduction occurred 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.

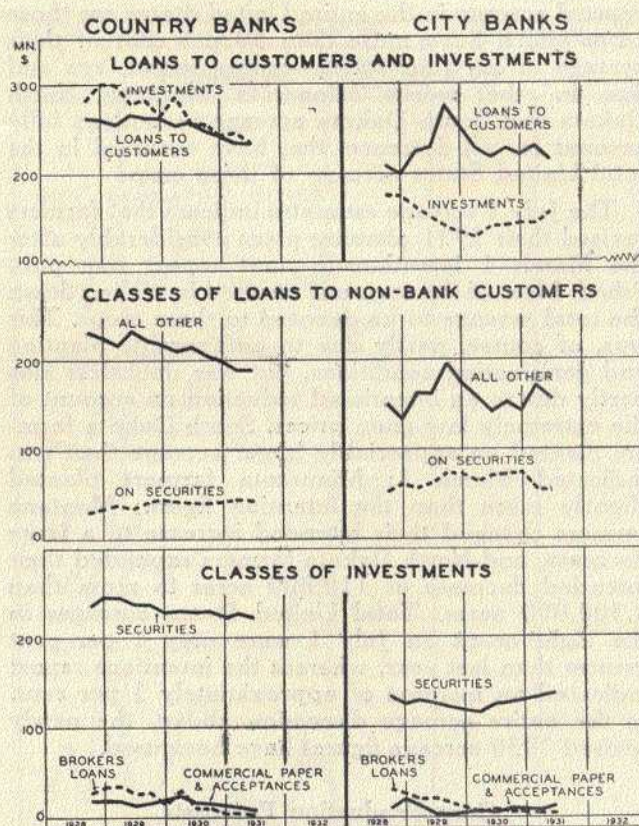
Farmers' cash income in the district failed to show its usual seasonal increase in June over May, and the total of seven estimated items was 31 per cent smaller than in June last year. Prices of all important northwestern farm products were lower in June than a year ago.

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				Per Cent June '31 of June '30	AGRICULTURE				Per Cent June '31 of June '30
Bank Debits ¹				June '31	June '30	June '31	June '30	June '31	June '30
All Reporting Cities.....	\$ 32,465,500	\$ 39,489,300	82			Farmers' Cash Income			
Minneapolis	13,417,000	16,822,000	80			Total of 7 Items.....	\$ 26,622,000	\$ 38,583,000	69
St. Paul	5,938,000	6,994,000	85			Bread Wheat	4,496,000	5,061,000	89
South St. Paul.....	794,000	1,080,000	74			Durum Wheat	1,964,000	2,552,000	77
Great Lakes Ports.....	3,144,000	3,736,000	84			Rye	120,000	170,000	71
Beef and Pork, S. E.....	1,121,400	1,357,800	83			Flax	1,094,000	592,000	185
Beef and Pork, S. W.....	1,436,800	1,761,500	82			Potatoes	173,000	494,000	35
Dairy and Mixed Farming.....	1,633,200	1,856,800	88			Dairy Products	12,455,000	20,323,000	61
Wheat and Mixed Farming.....	1,852,000	2,268,300	82			Hogs	6,320,000	9,391,000	67
Wheat and Range.....	1,010,600	1,217,100	83			Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Mining and Lumber.....	2,118,500	2,395,800	88			Bread Wheat	5,062,000	4,143,000	122
Electric Power Consumption (K.W.H.) ^{1,2}						Durum Wheat	3,087,000	2,855,000	108
Minn., No. Dak., and So. Dak.....	4,718,000	5,061,000	93			Rye	331,000	300,000	110
Montana	2,677,000	3,583,000	75			Flax	739,000	218,000	339
Country Check Clearings ¹						Grain Stocks at End of Month at Min- neapolis and Duluth-Superior (Bus.)			
Total	\$ 2,839,900	\$ 3,592,100	79			Wheat	67,950,949	48,954,346	139
Minnesota	1,038,600	1,330,900	78			Corn	139,023	188,016	74
Montana	495,800	614,000	81			Oats	3,782,418	3,827,083	99
North and South Dakota.....	683,900	921,700	74			Barley	2,357,379	3,684,305	64
Michigan and Wisconsin.....	621,600	725,500	86			Rye	5,603,295	4,435,192	126
Postal Receipts						Flax	809,031	405,608	199
Six Cities	908,900	997,800	91			Livestock Receipts at So. St. Paul (Head)			
Minneapolis	483,400	541,300	89			Cattle	61,775	52,590	117
St. Paul	288,900	305,800	94			Calves	46,490	42,133	110
Duluth	55,400	59,100	94			Hogs	179,739	185,180	97
Three Other Cities.....	81,200	91,600	89			Sheep	26,109	16,689	156
Freight Carloadings—N. W. District						Median Cash Grain Prices (Bus.)			
Total—Excluding L.C.L.	\$38,810	487,037	69			Wheat—No. 1 Dark Northern.....	\$.76½	\$1.04¼	73
Grains and Grain Products.....	33,245	36,666	90			Durum—No. 2 Amber.....	.63½	.89½	71
Livestock	24,523	26,365	93			Corn—No. 3 Yellow.....	.50	.75	67
Coal	15,667	18,627	84			Oats—No. 3 White.....	.24½	.33¼	73
Coke	3,694	6,531	57			Barley—No. 3 .....	.38	.49	78
Forest Products	33,342	52,822	63			Rye—No. 2 .....	.36¼	.56½	65
Ore	82,884	168,657	49			Flax—No. 1	1.48	2.71½	55
Miscellaneous	144,955	177,367	82			Median Livestock Prices (Cwt.)			
Merchandise—L.C.L.	118,938	132,491	90			Butcher Cows	\$4.75	\$7.00	68
Building Permits						Butcher Steers	7.00	10.00	70
Number—18 Cities	1,490	1,563	95			Prime Butcher Steers.....	7.65	11.25	68
Value—18 Cities	\$ 5,407,600	\$ 6,637,500	81			Feeder Steers	5.25	7.50	70
Minneapolis	627,200	1,792,700	35			Veal Calves	6.50	9.50	68
St. Paul	3,923,900	3,437,500	114			Hogs	5.50	9.10	60
Duluth-Superior	87,300	186,300	47			Heavy Hogs	5.25	8.50	62
4 Wheat Belt Cities.....	107,800	426,100	25			Lambs	6.50	10.25	63
6 Mixed Farming Cities.....	569,800	731,000	78			Ewes	1.50	3.00	50
4 Mining Cities	91,600	63,900	143			Wholesale Produce Prices			
Building Contracts (F. W. Dodge Corp.)						Butter (Lb.)	\$.20½	\$.30	68
Total	\$ 12,401,200	\$ 15,557,400	80			Milk (Cwt.)	1.38	1.94	71
Commercial	1,454,900	4,973,200	29			Hens (Lb.) .....	.14	.15	93
Factories	144,000	1,476,100	10			Eggs (Doz.) .....	.12	.17	71
Educational	516,000	808,100	64			Potatoes (Bu.)	1.05	2.10	50
Hospitals, etc.	172,600	94,100	183			TRADE			
Public	3,265,300	138,500	2357			Department Stores			
Religious and Memorial.....	252,000	143,500	176			Sales	\$ 3,033,900	\$ 3,242,840	94
Social and Recreational	145,100	104,300	139			Merchandise Stocks	6,419,850	6,978,900	92
Residential	1,895,600	1,548,200	90			Receivables	3,532,630	3,620,600	98
Public Works and Utilities.....	5,055,700	6,171,400	82			Instalment Receivables	713,700	759,920	94
Real Estate Activity in Hennepin and Ramsey Counties						Furniture Stores			
Warranty Deeds Recorded.....	827	1,026	81			Total Sales	\$ 215,860	\$ 271,190	80
Mortgages Recorded	1,240	1,287	96			Instalment Sales	137,520	168,310	82
Manufacturing and Mining						Merchandise Stocks	1,476,430	1,648,120	90
Flour Production at Mpls., St. Paul, and Duluth-Superior (bbls.).....	743,523	817,520	91			Instalment Receivables	1,896,950	2,234,530	85
Flour Shipments at Mpls. (bbls.).....	736,709	873,788	84			Country Lumber Yards			
Linseed Product Shipments (lbs.).....	14,440,550	12,042,305	120			Sales (Bd. Ft.)	10,084,000	13,943,000	72
Copper Output (5 firms) (lbs.).....	24,207,500	29,347,500	82			Lumber Stocks (Bd. Ft.).....	79,017,000	89,639,000	88
Iron Ore Shipments (Tons).....	3,808,043	8,650,441	44			Total Sales	\$ 1,276,800	\$ 1,938,800	66
Business Failures						Receivables	3,675,600	4,651,700	79
Number	46	60	77			Life Insurance Sales			
Liabilities	365,702	1,826,022	20			Four States	\$ 20,542,000	\$ 27,027,000	76
						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	39,598,000	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
Wholesale Trade				Interest Rates*			
Groceries—				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	Selected City Member Banks			
Hardware—				Loans to Customers	7-15-31	7-16-30	
Sales	\$ 1,503,990	\$ 1,731,980	87	Loans to Customers	\$213,885,000	\$213,491,000	100
Stocks	2,820,380	3,146,660	90	Other Invested Funds	156,665,000	139,865,000	112
Receivables	2,124,390	2,357,940	90	Deposits Due to Banks	85,506,000	79,569,000	107
Shoes—				Public Demand Deposits	48,775,000	42,916,000	114
Sales	\$ 208,410	\$ 302,580	69	Other Demand Deposits	165,572,000	171,344,000	97
Stocks	710,980	1,335,350	53	Time Deposits	151,407,000	128,609,000	118
Receivables	683,970	964,480	71	Total Deposits	452,399,000	422,922,000	107
BANKING				Borrowings at Fed. Reserve Bank....	0	0	.....
Member Bank Deposits				Minneapolis Federal Reserve Bank			
In Cities Over 15,000 pop.....	\$471,932,000	\$463,021,000	102	Loans to Member Banks	3,923,000	4,118,000	95
In Cities Under 15,000 pop.....	381,054,000	418,658,000	91	Twin Cities	25,000	0	.....
Michigan—15 Cos.	65,307,000	69,091,000	95	Minn., Wis. and Mich.	978,000	976,000	100
Minnesota	146,116,000	161,106,000	91	N. Dak. and Mont.	1,521,000	2,121,000	72
Montana	54,173,000	59,036,000	92	South Dakota	1,399,000	1,021,000	137
				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
(000's omitted)					Butte (2 Banks).....	13,776	9,798	12,661	12,461
Michigan					Deer Lodge	1,038	817	1,245	1,171
Escanaba (1 Bank).....	\$ 766	\$ 854	\$ 871	\$ 1,124	Glendive	938	969	1,565	1,379
Hancock	1,470	1,210	1,820	1,760	Great Falls	12,059	10,604	14,493	15,089
Houghton (1 Bank).....	440	434	680	638	Harlowton	323	264	367	348
Iron Mountain	3,533	3,577	4,579	4,578	Havre	1,522	1,269	1,795	1,953
Iron River, Caspian & Stambaugh	1,073	1,132	1,464	1,589	Helena	8,150	6,791	8,905	8,002
Manistique (1 Bank).....	436	419	521	475	Lewistown	1,837	1,644	2,189	2,164
Marquette	4,763	3,778	5,135	5,126	Malta	594	675	728	645
Menominee	2,809	2,524	2,712	3,062	Miles City (1 Bank).....	1,431	1,390	1,754	1,846
Sault Ste. Marie.....	2,708	2,249	3,131	2,839	North Dakota				
Minnesota					Bismarck	\$ 9,756	\$ 10,422	\$ 9,023	\$ 13,651
Albert Lea	\$ 2,753	\$ 2,870	\$ 3,101	\$ 3,340	Devils Lake	1,350	1,230	1,630	1,302
Austin (1 Bank).....	3,201	3,604	3,565	4,500	Dickinson	1,313	1,525	1,498	1,282
Bemidji (2 Banks).....	1,109	1,251	1,238	1,378	Fargo	15,090	14,901	17,916	16,834
Chaska	655	543	556	569	Grafton	363	383	458	441
Chisholm	1,389	741	1,200	802	Grand Forks	6,291	5,789	6,669	6,885
Cloquet	2,242	1,635	2,523	2,191	Jamestown	2,447	2,132	2,674	2,633
Crookston	1,291	1,159	1,361	1,387	Mandan	1,268	1,490	1,555	1,807
Detroit Lakes	1,183	849	1,085	986	Minot	5,403	5,338	7,089	7,875
Duluth	64,945	53,765	73,916	71,739	Valley City	1,185	1,127	1,435	1,337
Ely	722	480	887	667	Wahpeton	820	918	871	869
Faribault (1 Bank).....	966	1,145	1,253	1,308	Williston	1,020	1,036	1,472	1,494
Farmington	246	271	260	283	South Dakota				
Fergus Falls	2,851	2,556	3,074	2,821	Aberdeen	\$ 5,701	\$ 5,497	\$ 6,606	\$ 6,213
Glenwood	518	392	470	570	Brookings (1 Bank).....	899	937	1,069	1,137
Hutchinson	1,243	1,175	1,313	1,489	Deadwood	743	902	860	1,052
Lakefield (2 Banks).....	336	234	388	368	Huron	5,292	5,072	5,527	5,369
Lanesboro	321	338	312	311	Lead	1,254	1,248	1,064	1,119
Little Falls	1,094	854	1,324	1,084	Madison	1,001	1,048	1,067	1,113
Luverne	711	597	857	950	Milbank	567	556	591	575
Mankato	6,173	5,238	6,618	6,813	Mitchell (2 Banks).....	3,578	3,216	4,450	4,583
Minneapolis	341,812	391,795	420,541	424,795	Mobridge	565	554	672	738
Moorhead	1,329	1,171	1,320	1,528	Pierre	1,271	1,190	1,483	1,345
Morris	494	493	514	592	Rapid City	3,544	3,410	4,512	4,508
Owatonna	2,736	2,831	2,856	3,218	Sioux Falls	18,993	18,173	24,364	22,998
Park Rapids	471	356	456	455	Watertown	3,324	3,271	3,329	4,275
Red Wing	\$ 2,119	\$ 2,173	\$ 2,553	\$ 2,507	Yankton	2,243	2,294	2,449	2,337
Rochester	5,473	5,131	6,700	5,985	Wisconsin				
St. Cloud (1 Bank).....	399	420	474	447	Ashland	\$ 1,921	\$ 1,772	\$ 2,221	\$ 2,218
St. Paul	154,387	139,099	174,853	167,456	Chippewa Falls	1,314	1,205	1,485	1,543
South St. Paul.....	20,645	20,819	27,008	27,960	Eau Claire.....	8,212	7,047	8,165	7,967
Stillwater	2,028	1,858	2,674	2,362	Hudson	552	619	644	702
Thief River Falls.....	846	683	1,024	998	La Crosse	10,530	9,611	12,475	12,792
Two Harbors	477	458	548	501	Merrill (1 Bank).....	1,224	1,164	1,424	1,563
Virginia	2,351	1,380	2,500	2,153	Superior	6,163	6,040	7,573	7,794
Wabasha	762	584	818	794	Total for All Cities Reporting				
Wadena (2 Banks).....	653	611	708	775	Both Years	\$837,423	\$839,758	\$984,274	\$984,171
Wheaton	599	405	558	489					
Willmar	1,452	1,192	1,649	1,605					
Winona	6,752	5,951	7,523	7,799					
Worthington (1 Bank).....	751	715	913	960					

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.

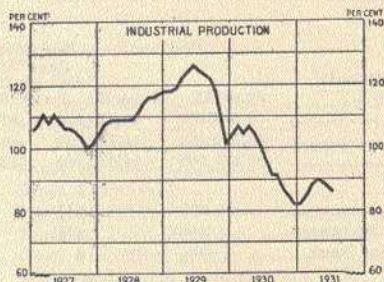
DISTRIBUTION: At department stores, daily average sales were seasonally smaller in June than in May. Freight car loadings were also reduced, reflecting principally a further reduction in loadings of miscellaneous commodities.

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.

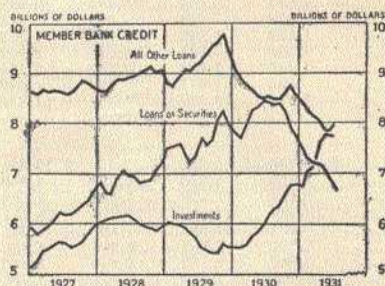
Money rates continued at low levels.



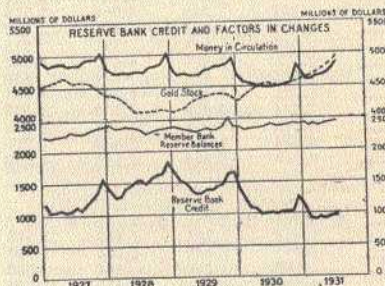
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)



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.