

MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

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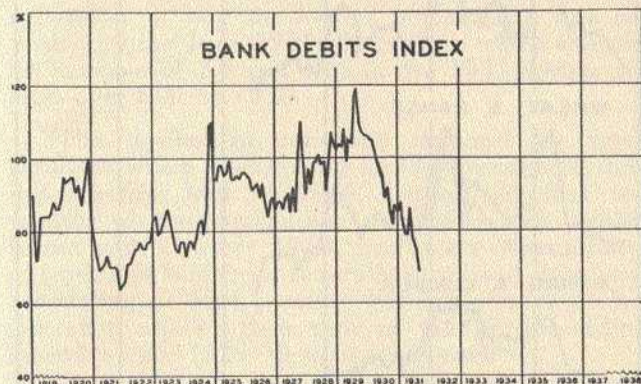
Minneapolis, Minnesota

September 28, 1931

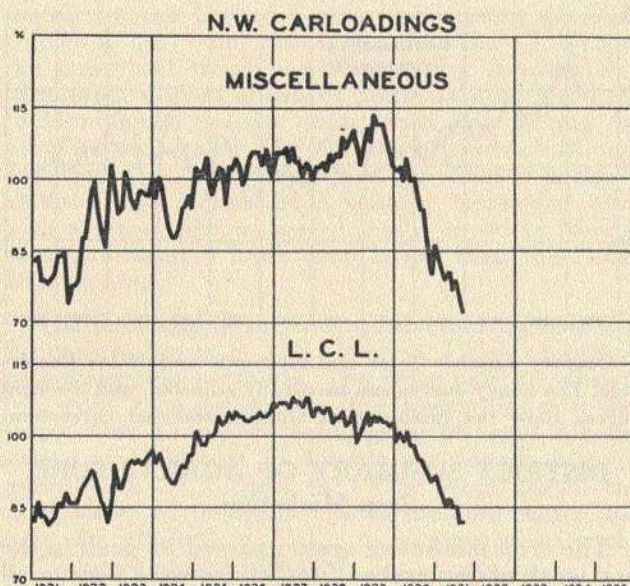
DISTRICT SUMMARY OF BUSINESS

Northwestern records in August and early September reflected chiefly the wheat crop failure which resulted in very light wheat marketings and an absence of the usual seasonal upturn in business during the month. The bank debits index adjusted for seasonal fluctuations decreased from 75 in July to 69 in August, and was 25 per cent below the index for August last year. A sharp divergence in trend occurred between those cities and areas where wheat is an important business factor and the other areas of the district. Bank debits at Minneapolis in August were 31 per cent smaller than in August 1930. Bank debits at the Great Lakes ports were 38 per cent smaller than a year ago, whereas at St. Paul bank debits decreased only 15 per cent, as compared with last year's figure. Similarly, in the agricultural portions of the district, four mixed farming areas experienced decreases in bank debits ranging from 14 to 17 per cent, whereas the wheat and range country reported a decrease of 21 per cent. In the three weeks ending September 16, the cities making weekly reports experienced a decrease in bank debits of 30 per cent as compared with the same weeks in 1930.

The country check clearings index for August was 20 per cent smaller than the index for August last year, and in the first fourteen business days of September country check clearings were 27 per cent smaller than in the corresponding days of 1930.



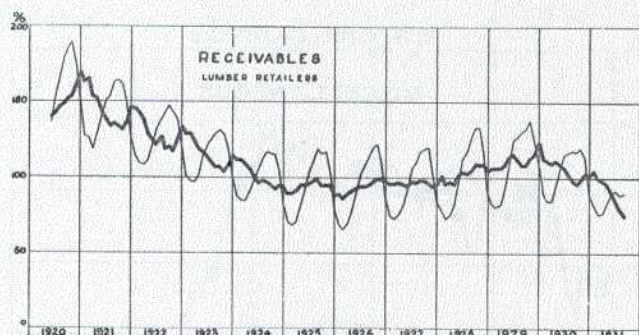
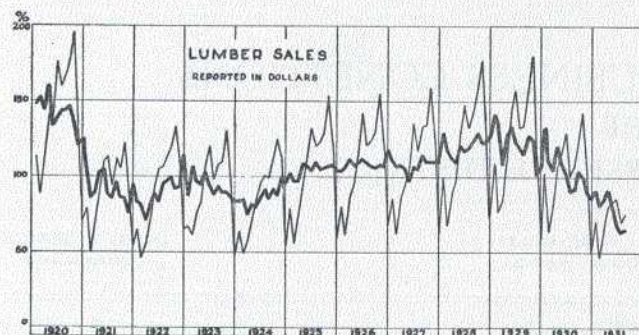
Bank Debits Index for Reporting Cities in the Ninth Federal Reserve District, adjusted for seasonal variations.



Carloadings of Miscellaneous Commodities and Less-than-Carload Freight in the Northwestern District, adjusted to remove seasonal variations.

Of the other business records for the district, decreases in August, as compared with the same month last year, occurred in postal receipts, freight carloadings, building permits, flour production and shipments, copper and iron ore output, grain marketings, department store sales, furniture sales, country lumber sales, life insurance sales and wholesale trade. Increases occurred in building contracts, linseed product shipments, livestock receipts and securities sales. Business failures numbered 57 in August, as compared with 47 in August last year, according to the report of R. G. Dun and Company.

Country lumber retailers have succeeded in holding their accounts and notes receivable down to very low figures, in spite of the adverse income situation in the rural part of the district. At the end of August, their receivables were only 42 per cent of their sales during the first eight months of the year. Ten years ago, during the depression year of 1921, the same group of retailers held receivables at the end of August amounting to 61 per cent of their sales in the first eight months of the year.



Country Lumber Sales and Accounts and Notes Receivable. The heavy curves are seasonally adjusted, and the light curves show the lumber data without seasonal correction.

DISTRICT SUMMARY OF AGRICULTURE

Crop Marketing

The crop marketing season passed its peak in the first week of September. Marketings were very small as was expected following the crop failure in a large part of the district and the small carry-over from last year's crops. Receipts of northwestern wheat at Minneapolis and Duluth-Superior from July 1 through September 19 were only 18,320,000 bushels, as compared with 68,362,000 bushels during the corresponding period in 1930.

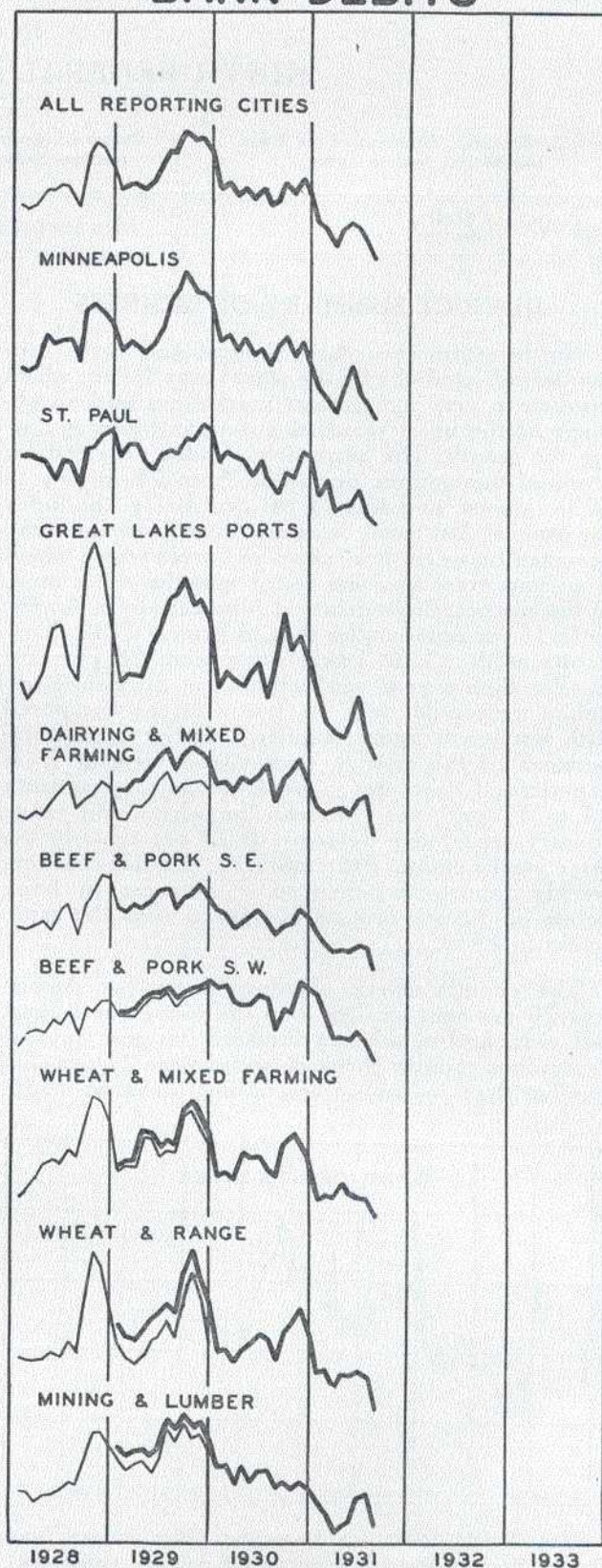
Wheat Marketing Progress

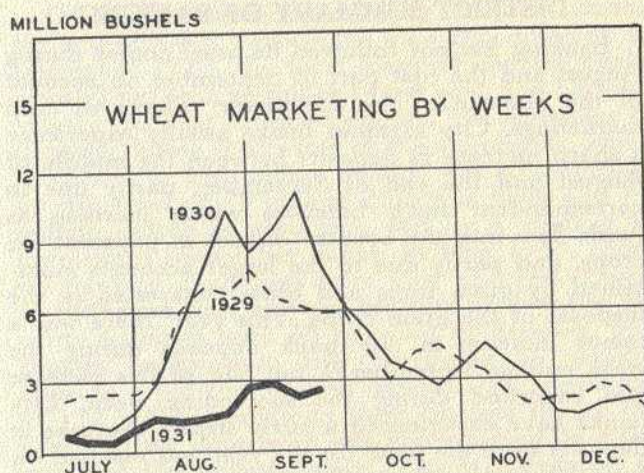
(Estimates for Minnesota, North Dakota, South Dakota and Montana combined)

July 1 through September 19, 1930 and 1931

	1930 Bushels	1931 Bushels
Crop and Carry-over		
July 1 Farm Stocks.....	16,707,000	11,940,000
July 1 Stocks in Country Mills and Elevators	25,350,000	6,500,000
New Crop	203,015,000	85,527,000
Total Wheat Supply.....	245,072,000	103,967,000
Less: Seed Requirements.....	19,501,000	19,000,000
Remainder available for market- ing at terminals, feed, coun- try millings, etc.....	225,571,000	84,967,000
Receipts since July 1 at Min- neapolis, Duluth and Superior, excluding S. W. wheat and duplications	68,362,000	18,320,000
Per cent marketed at terminals through September 19.....	30.31	21.56

NINTH FED. RES. DISTRICT BANK DEBITS





Wheat Marketings from the Northwest by Weeks, July-December.

The Hog Outlook, 1931-32

On September 14, the United States Department of Agriculture issued a statement on the present condition of the hog industry and its prospects. Important extracts from this statement are quoted below:

"Hog numbers on farms and supplies of hog products in storage in the United States are larger than a year ago, but are smaller than the five-year average. Numbers in important European producing countries also are larger than in 1930, and United States exports of hog products this year have been the smallest in more than thirty years. Feed supplies in the hog-producing states are more plentiful and more evenly distributed than last year. Although hog prices are much lower than last year, they have declined relatively less than feed prices. The ratio of hog prices to feed prices, therefore, is somewhat higher than a year ago.

"Hog slaughter in the hog marketing year which began with October 1930 was the smallest in four years, and apparently marked the end of a cycle in market supplies which began with 1926-27 and reached its peak in 1928-29. The first evidence of expansion in hog production since 1927 was revealed by the June 1931 Pig Survey, which showed an increase of 2.5 per cent in the 1931 spring pig crop over that of 1930.

"The decline in consumer demand for pork products which began early in 1930 continued during the first half of 1931. During the first ten months of the current hog marketing year, which began with October 1930, per capita consumption of pork and lard from federally inspected slaughter, amounting to 46.4 pounds, was 2.6 pounds or 5.3 per cent smaller than that of the corresponding period of the 1929-30 marketing year.

"Low prices of feed and indications of a much larger corn crop than that of last year, along with a restricted credit supply available for expanding

cattle and sheep feeding operations, are the principal factors which have caused hog producers to make plans for expanding hog production this year. The hog situation so far in 1931 has been similar in many respects to that of 1921. At that time, business activity was at an unusually low level, and the domestic demand for pork products had been greatly reduced. Although hog prices were low, corn prices were relatively lower and the corn-hog ratio was favorable for hog feeding."

Sheep and Wool

The northwestern lamb crop of 1931 was estimated by the United States Department of Agriculture to be 11 per cent larger than the 1930 crop. An important trend is evidenced by the fact that Minnesota ranked ahead of South Dakota and next to Montana in the size of its lamb crop among the northwestern states. The number of ewes on Minnesota farms is not yet as large as the number in South Dakota, but it has been rapidly increasing and, with a larger percentage of lambs saved in Minnesota, produced a lamb crop larger than the South Dakota crop.

The wool clip in the four northwestern states was 8 per cent larger in 1931 than in 1930, according to government estimates. The price paid to farmers for wool this spring was the lowest in post-war years. Our composite farm price of wool for the spring of 1931 was 13.4 cents per pound, as compared with 21.2 cents in 1930. As a result, the farm value of the wool clip in the four states was only \$7,500,000 in 1931, as compared with the 1930 figure of \$11,000,000.

Northwestern Lamb and Wool Production

	Lamb Crop		Wool Clip	
	Head; 000's omitted	1930	Pounds: 000's omitted	1931
Minnesota	638	723	5,772	6,396
North Dakota ...	519	604	5,330	5,781
South Dakota ...	652	699	7,428	7,678
Montana	2,590	2,859	33,440	36,119
Four States.....	4,399	4,885	51,970	55,974

The outlook for sheep and wool was discussed in "Crops and Markets" for August 1931. Important paragraphs are quoted below:

"There is likely to be considerable reduction in numbers of sheep during the next two or three years. Lamb production is at high levels and poor range is expected to cause western sheepmen to market more than the usual proportion of the lamb crop and to hold back fewer ewe lambs for breeding. The proportion of unfinished lambs in the marketings of the Western States is also expected to be above average.

"With larger feed-crop production than last year in prospect in the Corn Belt, that region is expected to take considerably more feeder lambs than it did in 1930, and this, in turn, will result in large supplies of fed lambs in the early winter. In Colorado

and western Nebraska, where lambs are fed mostly for the late winter and spring market, decreased local feed production may tend to prevent any material expansion in lamb feeding over last winter.

"In the native sheep states, where sheep are part of a general farm business, low prices of other farm products leave no great incentive for farmers to quit raising sheep. With prices for breeding ewes at low levels, some farmers may take advantage of the opportunity to buy small flocks.

"World wool production continues large, and the clip this year is not expected to be much different from the record clip of 1928. The increase in the United States clip over that of last year amounts to 25,000,000 pounds, or 7 per cent. Although there has been some increase in wool textile manufacturing activity in this country, no significant improvement has developed in other important manufacturing countries, and wool prices in foreign markets continue at very low levels."

Cold Storage Holdings

Butter in cold storage in the United States amounted to only 104,675,000 pounds on September 1, as compared with 143,089,000 pounds a year ago, and 150,014,000 pounds on the five-year average for the date. This shrinkage of nearly one-third as compared with usual holdings at this time of year resulted from the reduction in national butter production and from the maintained high level of consumption. The average price of butter increased 3 cents in August over July, whereas the usual increase is only 1 cent at this time of year. Cold storage holdings of beef, pork, lard, lamb and mutton were also smaller than the five-year average on September 1, but holdings of poultry and eggs were larger than the five-year average on that date.

United States Cold Storage Holdings (In thousands of pounds)

	September 1, Five-year Average	September 1, 1930	September 1, 1931
Beef	42,795	59,755	38,927
Pork	668,375	550,959	594,288
Lard	153,018	88,868	95,885
Lamb and Mutton ..	2,412	3,977	1,981
Butter	150,014	143,089	104,675
Poultry	42,139	42,589	43,059
Eggs*	12,013	13,608	12,162

*Thousand cases.

Farm Income

Estimates of northwestern farm income from seven important items were 61 per cent smaller in August this year than in August a year ago. All of the estimated items, except potatoes, decreased, but the greater part of the shrinkage in farm income for the month was due to the lower level of grain marketings. Ordinarily, farm income in August is nearly double the July income in this district. This year, the increase between July and August was only 15 per cent.

DISTRICT SUMMARY OF BANKING

Banking has not followed its usual course during August and the first part of September on account of the absence of the customary volume of crop marketings. City member banks usually experience a sharp increase in deposits between the middle of August and the end of September, partly due to correspondent bank balances which increase as funds flow into the country district in payment for crops, and partly due to the larger accounts maintained by grain firms and others interested in the disposal of the grain crops. This year, there was a minor increase in city bank deposits during the week ending September 9, but half of this increase was cancelled during the succeeding week. City banks have experienced a fairly steady decrease in deposits since the peak for the year was reached on June 10, and on September 16 their deposits were smaller than on the corresponding date in either 1930 or 1929. Loans to customers of city banks increased slightly during the three weeks ending September 16, but on that date they were smaller than in either of the two preceding years. Investments of these banks continued to be larger than in 1930 or 1929.

Country member banks reported seasonal decreases in deposits between the July average and the average for August. During August, their deposits were 9 per cent smaller than in August last year. Borrowings from this Federal Reserve Bank by country member banks showed a small seasonal decrease from their August peak.

THE MID-YEAR POSITION OF BANKING IN THE NINTH FEDERAL RESERVE DISTRICT

The latest complete bank returns for the district invite comparison between the behavior of banking during the current agricultural and business depression, and during the depression of 1920-1. In the present depression, there was a 21-month period between October 4, 1929, which was the call date nearest the peak of national credit expansion, and June 30, 1931, which was the latest call date. In the previous depression, there was a 22-month period between February 28, 1920, which was the peak of country bank deposits, and December 31, 1921, which was the low point in that depression.

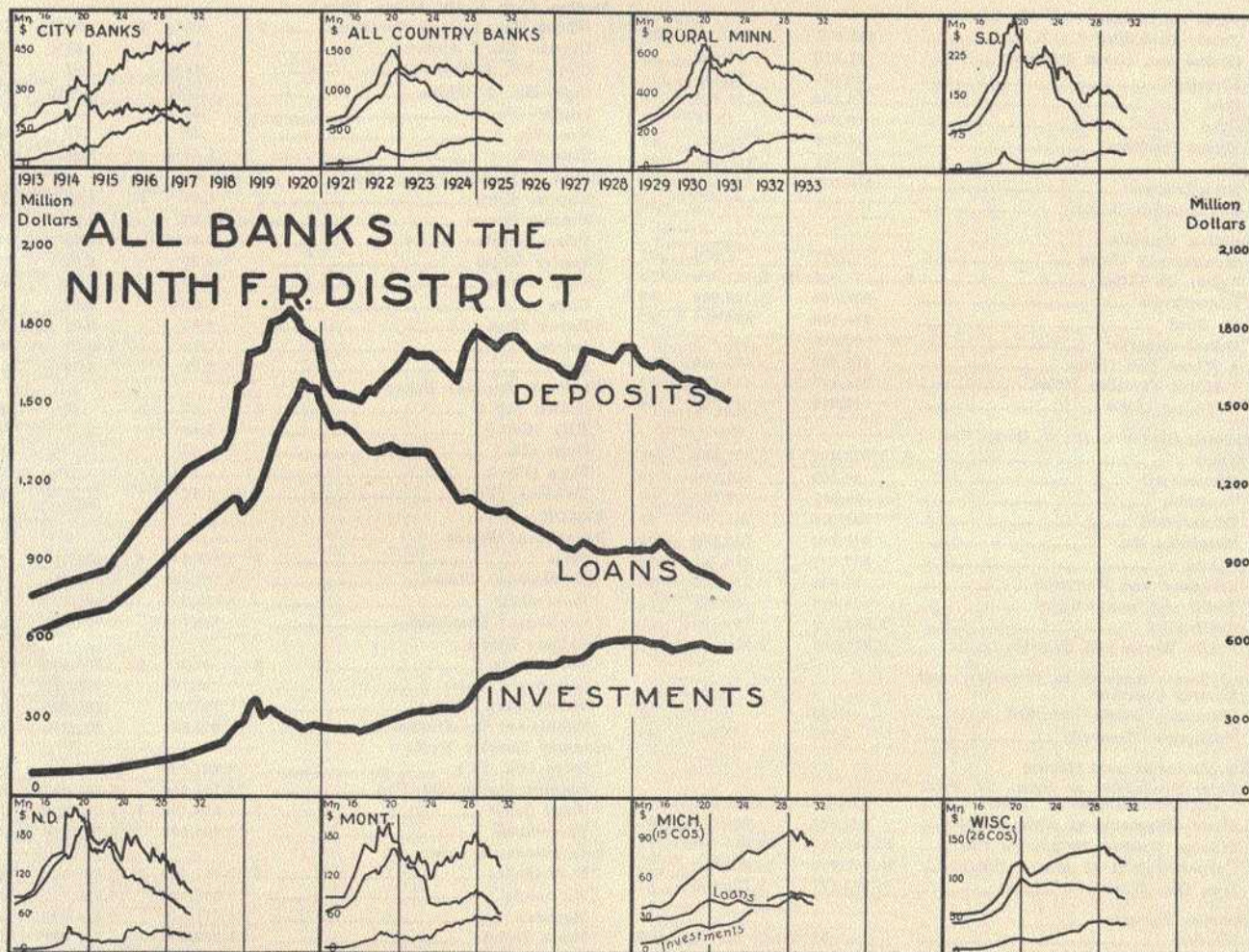
From peak to low point in the 1920-1 depression, country banks in the district experienced a shrinkage of 308 million dollars in deposits. Between October 1929 and June 1931, country bank deposits in the district declined only 192 million dollars. In the 1920-1 depression, the average size of country banks, measured by deposits, decreased 20 per cent. A peculiarity of the present depression is that in spite of the loss of deposits, the average size of country banks in June 1931 was practically the same as the average of the banks in existence in October 1929. This paradox is due to the fact that bank failures and consolidations were numerous during this period, and the banks which failed were mostly small institutions whose disappearance affected the grand total of deposits very little.

Other elements in the banking situations during the two post-war depressions were also different. In December 1921, the local loans of country banks were 95 per cent, securities 14 per cent, and borrowings 12 per cent of their deposits. The shrinkage in deposits during the course of the depression, which amounted to 308 million dollars, was accompanied by decreases of 70 million dollars in loans and 44 million dollars in securities, and by a trebling of borrowings from other banks. In June 1931, country banking conditions were very changed. Loans to customers were only 54 per cent of deposits, security holdings were 38 per cent of deposits, and country banks were only borrowing an amount equal to 1 per cent of their deposits. The shrinkage of 192 million dollars in their deposits during the course of the depression was accompanied by a decrease of 151 million dollars in loans, a decrease of only 17 million dollars in security holdings, and almost no increase in borrowings.

City banks in the district have also fared better during the current depression than in the depression of 1920-1. Their deposits increased, and on June 30, 1931, were at a new high level for all time. Their cash and balances due from correspondent banks were at approximately the highest figure on

record, and they were almost entirely out of debt to other banks. During the depression of 1920-1, on the other hand, they experienced a considerable shrinkage in deposits and in cash and balances due from banks, and were heavy borrowers throughout most of the depression period.

On June 30, 1931, the combined balance sheet of all banks in the district showed them to have 1,510 million dollars of deposits, 799 million dollars of loans, 564 million dollars of investments, and less than 11 million dollars of borrowed money. During the twelve-month period ending with June 30, there was a shrinkage in deposits of 88 million dollars, or 6 per cent. This shrinkage was entirely in the deposits of country banks, which lost 108 million dollars of deposits, whereas city banks gained 20 million dollars of deposits. Loans decreased 74 million dollars during the year, with country banks experiencing a loan decrease of 91 million dollars, and city banks an increase of 17 million dollars. Investment holdings decreased 17 million dollars during the year, with country banks reducing their security holdings 5 million dollars and city banks 12 million dollars. The number of banks in the district decreased from 2,247 on June 30, 1930 to 2,021 on June 30, 1931.



COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

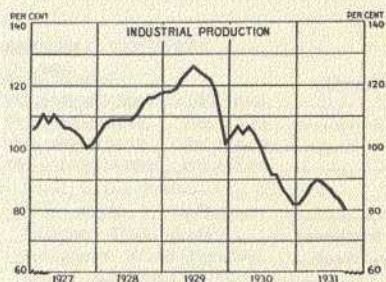
GENERAL BUSINESS			Per Cent Aug. '31 of Aug. '30
Bank Debits ¹	Aug. '31	Aug. '30	Aug. '30
All Reporting Cities.....	\$ 27,939,600	\$ 37,223,600	75
Minneapolis	11,954,000	17,246,000	69
St. Paul	4,988,000	5,868,000	85
South St. Paul.....	731,000	795,000	92
Great Lakes Ports.....	2,282,000	3,689,000	62
Beef and Pork, S. E.....	1,015,000	1,178,600	86
Beef and Pork, S. W.....	1,242,000	1,475,500	84
Dairy and Mixed Farming.....	1,387,600	1,635,900	85
Wheat and Mixed Farming.....	1,697,300	2,042,100	83
Wheat and Range.....	835,400	1,059,800	79
Mining and Lumber.....	1,806,500	2,233,700	81
Electric Power Consumption (K.W.H.) ^{1,2}			
Minn., No. Dak., and So. Dak.....	4,868,000	4,918,000	99
Montana	2,583,000	3,598,000	72
Country Check Clearings ¹			
Total	\$ 2,444,400	\$ 3,040,200	80
Minnesota	902,900	1,067,200	85
Montana	435,800	512,800	85
North and South Dakota.....	541,500	800,200	68
Michigan and Wisconsin.....	564,200	660,000	85
Postal Receipts			
Six Cities	861,988	993,925	87
Minneapolis	444,593	510,964	87
St. Paul	261,255	315,206	83
Duluth	53,088	61,788	86
Three Other Cities.....	103,052	105,967	97
Freight Carloadings—N. W. District			
Total—Excluding L.C.L.	352,678	520,110	68
Grains and Grain Products.....	42,816	88,827	48
Livestock	28,731	25,540	112
Coal	19,364	24,722	78
Coke	3,364	4,995	67
Forest Products	26,009	40,387	64
Ore	96,367	158,977	61
Miscellaneous	136,027	176,662	77
Merchandise—L.C.L.	114,880	133,726	86
Building Permits			
Number—18 Cities	1,477	1,376	107
Value—18 Cities	\$ 2,131,000	\$ 2,701,200	79
Minneapolis	857,000	1,123,000	76
St. Paul	430,600	484,200	89
Duluth-Superior	97,800	145,400	67
4 Wheat Belt Cities.....	516,800	493,200	105
6 Mixed Farming Cities.....	214,900	414,700	52
4 Mining Cities	13,900	40,700	34
Building Contracts (F. W. Dodge Corp.)			
Total	\$ 7,522,200	\$ 7,023,600	107
Commercial	84,700	851,200	10
Factories	99,800	146,700	68
Educational	894,500	942,700	95
Hospitals, etc.	655,000	110,700	592
Public	337,500	116,700	289
Religious and Memorial.....	87,000	131,200	66
Social and Recreational	63,600	56,000	114
Residential	1,553,200	1,773,500	88
Public Works and Utilities.....	3,371,700	2,894,900	116
Real Estate Activity in Hennepin and Ramsey Counties			
Warranty Deeds Recorded.....	1,054	1,073	98
Mortgages Recorded	1,271	1,290	99
Manufacturing and Mining			
Flour Production at Mpls., St. Paul, and Duluth-Superior (bbls.).....	982,034	1,077,427	91
Flour Shipments at Mpls. (bbls.).....	920,488	966,989	95
Linseed Product Shipments (lbs.).....	19,647,075	19,515,052	101
Copper Output (5 firms) (lbs.).....	22,327,900	30,552,600	73
Iron Ore Shipments (Tons).....	5,064,687	8,251,699	61
Business Failures			
Number	57	47	121
Liabilities	\$ 564,200	\$ 882,632	64
AGRICULTURE			Per Cent Aug. '31 of Aug. '30
Farmers' Cash Income	Aug. '31	Aug. '30	Aug. '30
Total of 7 Items.....	\$ 26,041,000	\$ 67,636,000	39
Bread Wheat	4,125,000	25,106,000	16
Durum Wheat	775,000	8,155,000	10
Rye	279,000	2,241,000	12
Flax	2,792,000	5,149,000	54
Potatoes	860,000	790,000	109
Dairy Products	12,670,000	19,328,000	66
Hogs	4,540,000	6,867,000	66
Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Bread Wheat	5,542,000	23,966,000	23
Durum Wheat	1,071,000	10,006,000	11
Rye	735,000	3,799,000	19
Flax	1,987,000	2,627,000	76
Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)			
Wheat	56,888,958	54,914,072	104
Corn	139,208	61,509	226
Oats	3,906,770	5,714,307	68
Barley	2,367,306	5,406,040	44
Rye	5,222,311	6,471,965	81
Flax	720,248	447,065	161
Livestock Receipts at So. St. Paul (Head)			
Cattle	77,335	51,757	149
Calves	35,680	28,592	125
Hogs	167,950	124,464	135
Sheep	171,953	114,549	150
Median Cash Grain Prices (Bus.)			
Wheat—No. 1 Dark Northern.....	\$.66½	\$.91¾	72
Durum—No. 2 Amber.....	.72¾	.81½	89
Corn—No. 3 Yellow.....	.45¾	.94	48
Oats—No. 3 White.....	.22¾	.36½	61
Barley—No. 3 .....	.43¾	.51	85
Rye—No. 2 .....	.38	.59	64
Flax—No. 1	1.40½	1.96	72
Median Livestock Prices (Cwt.)			
Butcher Cows	\$ 4.50	\$ 6.00	75
Butcher Steers	8.25	9.00	92
Prime Butcher Steers.....	9.35	11.00	85
Feeder Steers	4.75	6.00	79
Veal Calves	7.50	9.50	79
Hogs	5.00	9.00	56
Heavy Hogs	4.75	8.50	56
Lambs	7.00	8.25	85
Ewes	2.25	3.50	64
Wholesale Produce Prices			
Butter (Lb.)	\$.25	\$.38	66
Milk (Cwt.)	1.62	2.17	75
Hens (Lb.) .....	.16	.17½	91
Eggs (Doz.) .....	.13¾	.19¾	70
Potatoes (Bu.)	1.12½	1.27½	88
TRADE			
Department Stores			
Sales	\$ 2,549,140	\$ 2,843,310	90
Merchandise Stocks	6,208,930	6,708,310	93
Receivables	3,002,350	3,092,170	97
Instalment Receivables	702,740	774,430	91
Furniture Stores			
Total Sales	\$ 89,050	\$ 121,530	73
Instalment Sales	58,140	73,710	79
Merchandise Stocks	705,980	783,640	90
Instalment Receivables	671,850	822,320	82
Country Lumber Yards			
Sales (Bd. Ft.)	9,457,000	12,393,000	76
Lumber Stocks (Bd. Ft.).....	76,554,000	84,567,000	91
Total Sales	\$ 1,127,400	\$ 1,587,200	71
Receivables	3,604,500	4,712,600	76
Life Insurance Sales			
Four States	\$ 17,863,000	\$ 21,787,000	82
Minnesota	13,093,000	14,918,000	88
Montana	1,571,000	2,286,000	69
North Dakota	1,220,000	2,249,000	54
South Dakota	1,979,000	2,334,000	85

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

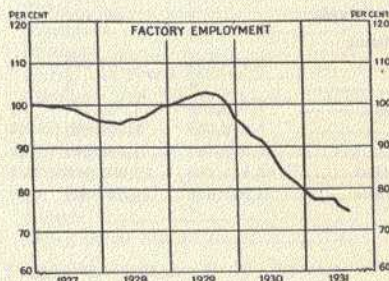
Investment Dealers				Member Bank Deposits (continued)			
	Aug. '31	Aug. '30	Per Cent Aug. '31 of Aug. '30		Aug. '31	Aug. '30	Per Cent Aug. '31 of Aug. '30
Sales to Banks.....	6,077,000	2,902,300	209	North Dakota	36,851,000	43,502,000	85
Sales to Insurance Companies.....	469,900	394,400	119	South Dakota	46,819,000	52,979,000	88
Sales to General Public.....	3,294,100	4,848,300	68	Wisconsin—26 Cos.	26,820,000	28,825,000	93
Wholesale Trade				Interest Rates^a			
Groceries—				Minneapolis Banks	4¼-4½	4¾-5	....
Sales	\$ 3,738,570	\$ 4,354,620	86	Commercial Paper (net to borrower)	2½	3½	....
Stocks	5,612,050	6,057,930	93	Minneapolis Federal Reserve Bank.....	3½	3½	....
Receivables	4,579,350	4,981,380	92	Selected City Member Banks	Sept. 16, '31	Sept. 17, '30	
Hardware—				Loans to Customers.....	\$214,212,000	\$222,800,000	96
Sales	\$ 1,231,910	\$ 1,774,360	69	Other Invested Funds.....	157,325,000	148,523,000	106
Stocks	2,770,470	3,045,320	91	Deposits Due to Banks.....	84,512,000	88,697,000	95
Receivables	2,080,360	2,373,880	88	Public Demand Deposits.....	31,721,000	32,655,000	97
Shoes—				Other Demand Deposits.....	163,706,000	186,399,000	88
Sales	\$ 300,460	\$ 457,450	66	Time Deposits	145,280,000	132,922,000	109
Stocks	711,930	1,253,750	57	Total Deposits	428,115,000	441,293,000	97
Receivables	722,680	1,290,060	56	Borrowings at Fed. Reserve Bank.....	0	489,000	....
BANKING				Minneapolis Federal Reserve Bank			
Member Bank Deposits				Loans to Member Banks.....	3,989,000	4,237,000	94
In Cities Over 15,000 pop.....	\$456,462,000	\$455,336,000	100	Twin Cities	0	0	....
In Cities Under 15,000 pop.....	367,571,000	405,921,000	91	Minn., Wis. and Mich.....	1,215,000	1,084,000	112
Michigan—15 Cos.	64,198,000	68,190,000	94	N. Dak. and Mont.....	1,402,000	2,017,000	70
Minnesota	141,584,000	156,576,000	90	South Dakota	1,372,000	1,136,000	121
Montana	51,299,000	55,849,000	92	Fed. Res. Notes in Circulation.....	54,914,450	52,107,915	105
				Member Bank Reserve Deposits.....	46,840,004	50,947,265	92
				^a Daily Averages.			
				^a Latest Reported Data.			

BANK DEBITS

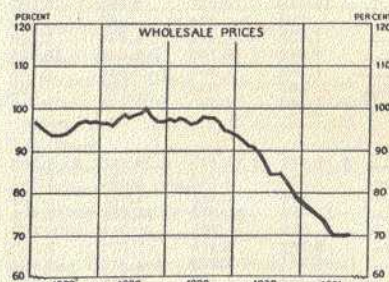
	August 1931	July 1931	August 1930	July 1930	Montana				
Number of Business Days:					Anaconda	\$ 1,512	\$ 1,864	\$ 1,762	\$ 2,799
All Other States in District.....	26	26	26	26	Billings	6,393	7,082	7,152	7,630
(000's omitted)					Bozeman	1,959	2,403	2,039	2,226
Michigan					Butte (2 Banks).....	10,862	13,086	12,404	13,205
Escanaba (1 Bank).....	\$ 708	\$ 701	\$ 764	\$ 1,021	Deer Lodge	899	1,286	1,067	1,429
Hancock	1,470	1,392	1,713	1,556	Glendive	713	826	1,356	1,360
Houghton (1 Bank).....	394	574	546	585	Great Falls	10,284	12,257	16,136	14,195
Iron Mountain	2,854	3,305	3,493	4,151	Harlowton	284	324	367	385
Iron River, Caspian & Stambaugh	1,029	1,122	1,524	1,564	Havre	1,139	1,293	1,653	2,469
Manistique (1 Bank).....	419	427	556	507	Helena	8,052	10,169	8,206	10,947
Marquette	3,679	4,417	4,410	5,023	Lewistown	1,362	1,503	2,096	2,238
Menominee	2,229	2,938	2,602	2,855	Malta	401	644	520	852
Sault Ste. Marie	2,940	2,587	3,302	3,069	Miles City (1 Bank).....	1,160	1,641	1,494	2,012
Minnesota					North Dakota				
Albert Lea	\$ 2,337	\$ 2,869	\$ 2,810	\$ 3,258	Bismarek	\$ 9,661	\$ 10,677	\$ 10,101	\$ 9,853
Austin (1 Bank).....	3,444	3,237	3,666	3,777	Devils Lake	1,128	1,243	1,552	1,561
Bemidji (2 Banks).....	1,099	1,141	1,303	1,495	Dickinson	1,088	1,288	1,544	1,638
Chaska	513	623	684	577	Fargo	13,788	14,873	15,948	16,816
Chisholm	974	1,155	1,120	919	Grafton	819	365	502	499
Cloquet	1,383	1,415	1,928	2,956	Grand Forks	6,283	6,410	7,015	7,002
Crookston	1,171	1,103	1,413	1,373	Jamestown	1,965	2,232	2,430	2,864
Detroit Lakes	987	1,264	1,180	1,295	Mandan	1,214	1,272	1,596	1,632
Duluth	43,873	47,651	78,807	60,774	Minot	4,871	5,293	6,968	7,634
Ely	585	758	987	703	Valley City	1,144	1,201	1,308	1,516
Faribault (1 Bank).....	1,005	1,586	989	1,430	Wahpeton	837	768	912	911
Farmington	194	219	226	300	Williston	904	1,204	1,423	1,519
Fergus Falls	2,084	2,297	2,576	4,215	South Dakota				
Glenwood	359	480	433	661	Aberdeen	\$ 4,528	\$ 5,266	\$ 6,123	\$ 6,278
Hutchinson	998	1,228	1,002	1,160	Brookings (1 Bank).....	840	733	1,040	899
Lakefield (2 Banks).....	182	218	306	275	Deadwood	751	751	906	987
Lanesboro	256	253	257	359	Huron	4,573	5,032	4,973	5,416
Little Falls	862	935	962	1,206	Lead	1,090	1,329	1,053	1,663
Luverne	590	691	939	1,198	Madison	898	1,032	929	961
Mankato	4,834	6,117	6,749	7,674	Milbank	441	501	542	651
Minneapolis	310,797	331,857	448,396	400,096	Mitchell (2 Banks).....	3,304	3,366	3,913	4,201
Moorhead	1,231	1,288	1,396	1,319	Mobridge	439	359	605	635
Morris	411	439	502	530	Pierre	1,081	1,140	1,185	1,413
Owatonna	2,250	2,557	2,285	2,818	Rapid City	3,125	3,544	4,064	4,472
Park Rapids	344	420	536	526	Sioux Falls	16,258	18,864	20,245	22,511
Red Wing	2,035	2,117	2,255	2,388	Watertown	2,858	3,361	3,300	4,085
Rochester	4,962	5,457	5,460	6,038	Yankton	1,983	1,885	2,331	2,442
St. Cloud (1 Bank).....	3,469				Wisconsin				
St. Paul	129,682	136,835	152,256	164,629	Ashland	\$ 1,798	\$ 1,933	\$ 1,920	\$ 2,289
South St. Paul.....	19,015	20,664	20,659	22,770	Chippewa Falls	1,667	1,968	2,187	2,574
Stillwater	2,278	3,493	2,629	4,228	Eau Claire	6,708	7,897	6,939	8,136
Thief River Falls.....	738	796	905	1,014	Hudson	484	888	567	601
Two Harbors	446	593	494	590	La Crosse	8,889	10,212	11,617	12,374
Virginia	1,975	2,044	2,616	2,196	Merrill (1 Bank).....	1,142	1,351	1,318	1,886
Wabasha	863	1,130	843	1,188	Superior	5,886	6,492	7,217	7,511
Wadena (1 Bank).....	300	335	280	336	Total for All Cities Reporting				
Wheaton	505	486	506	505	Both Years	\$725,907	\$791,048	\$968,390	\$942,255
Willmar	1,133	1,471	1,359	1,612					
Winona	5,940	6,648	6,547	6,922					
Worthington (1 Bank).....	585	646	692	788					



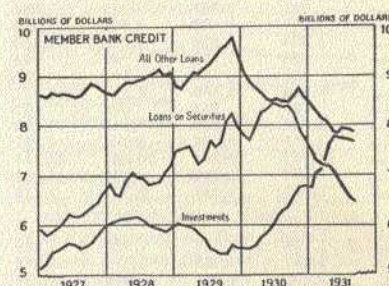
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.)



Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average=100.)



Index of United States Bureau of Labor Statistics, (1926=100).



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

Summary of National Business Conditions (Compiled September 24 by Federal Reserve Board)

The volume of industrial production and factory employment, which usually increases at this season, showed little change from July to August, and the Board's seasonally adjusted indexes consequently declined. The general level of wholesale prices remained in August at about the same level as in the two preceding months, but declined somewhat in the first three weeks of September.

PRODUCTION AND EMPLOYMENT: Industrial production, as measured by the Board's seasonally adjusted index, declined from 83 per cent of the 1923-1925 average in July to 80 per cent in August, which compared with the previous low level of 82 per cent for December 1930. Output of steel, which ordinarily increases in August, declined further to 31 per cent of capacity, reflecting, in part, curtailment in automobile production. Lumber output also decreased, contrary to seasonal tendency. Activity at textile mills and shoe factories showed about the usual seasonal changes, and production in these industries continued to be in substantially larger volume than a year ago. In the latter part of August, output of crude petroleum decreased 30 per cent, the reduction being in East Texas, following earlier curtailment in the Oklahoma fields; in the middle of September, production increased somewhat. Factory employment, which usually increases at this season, showed little change from the middle of July to the middle of August. The number employed in the clothing and shoe industries and in canning factories increased, while employment at steel mills, automobile plants, foundries and car building shops declined.

The value of building contracts awarded, as reported by the F. W. Dodge Corporation, continued to decline in August, and for the first eight months of 1931 was 31 per cent less than in the corresponding period of 1930, reflecting decreases of 18 per cent in contracts for residential building, 30 per cent for public works and utilities, 54 per cent for factories, and 56 per cent for commercial building.

Department of Agriculture crop estimates, based on September 1 conditions, were about the same as estimates made a month earlier. High yields per acre and large crops were indicated for cotton, winter wheat and tobacco, while crops of spring wheat and hay were expected to be unusually small, chiefly on account of dry weather. The corn crop was estimated at 2,715,000,000 bushels, 600,000,000 bushels larger than last year, but 50,000,000 bushels smaller than the five-year average.

DISTRIBUTION: Daily average freight carloadings declined somewhat in August, contrary to the seasonal movement, while department store sales increased, but by an amount slightly smaller than is usual in August.

PRICES: The general level of wholesale prices increased from 70.0 per cent of the 1926 average in June and July to 70.2 per cent in August, according to the Bureau of Labor Statistics, reflecting increases in the prices of live stock, meats, dairy products and petroleum, offset, in large part, by decreases in the prices of grains, cotton, and cotton textiles. During the first three weeks of September, prices of live stock, meats, hides, and cotton declined, while prices of dairy products continued to increase.

BANK CREDIT: The volume of Reserve bank credit, which had increased by \$240,000,000 during the month of August, increased further by \$70,000,000 in the first part of September, and in the week ending September 19 averaged \$1,265,000,000. The demand for the additional Reserve bank credit arose chiefly from an increase of \$295,000,000 in the volume of currency outstanding. There were also further transfers to the Reserve banks by foreign correspondents of funds previously employed in the acceptance market offset, in large part, by a growth of \$60,000,000 in the country's stock of monetary gold. Following the suspension of the gold standard act by Great Britain more than \$100,000,000 in gold was added to the amount held by the Federal reserve banks under earmark for foreign account, and there was a corresponding decrease in the country's stock of monetary gold.

Loans and investments of reporting member banks in leading cities, after declining in July and the first half of August, showed little change in the three-week period ending September 9. There was further decline in loans on securities, while the banks' holdings of investments increased somewhat. In the following week, the banks added \$227,000,000 to their holdings of United States government securities when an issue of \$800,000,000 of United States government bonds was brought out, while holdings of other securities were reduced by \$40,000,000. Loans on securities continued to decline and all other loans were also reduced, contrary to the usual seasonal tendency.

Money rates in the open market continued at low levels on September 22. The rate on bankers' acceptances advanced from $\frac{7}{8}$ of 1 per cent to 1 per cent. Yields on high-grade bonds increased during the last half of August and the first part of September.