

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 May exceeded the volume in May last year. Debits to individual accounts increased 3 per cent in May over the corresponding month last year. Of the seventy reporting cities, forty-seven experienced increases and twenty-three experienced decreases. From the record of individual debits, it appears that conditions were spotted in the district, but in every state of the district the increases exceeded the decreases. At the seventeen cities which have reported debits to individual accounts weekly for a number of years, the May figures were 14 per cent above the usual volume for the month, based on past years' experience.

Daily Averages of Debits to Individual Accounts Shown as Percentages of the Corresponding Months in 1928

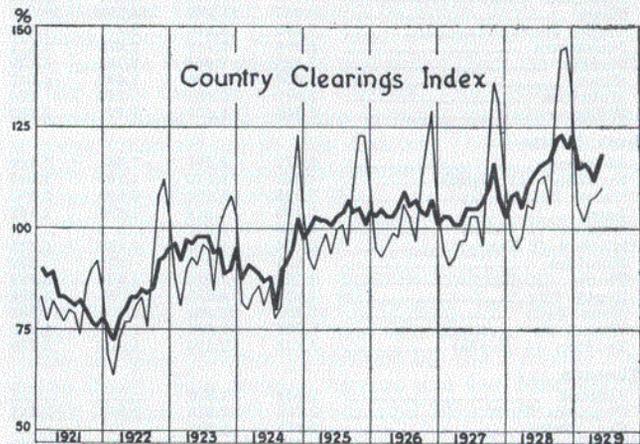
	Jan. 1929	Feb. 1929	Mar. 1929	Apr. 1929	May 1929
Duluth	101	115	103	95	85
Minneapolis	111	118	112	94	101
St. Paul	100	106	107	100	105
South St. Paul	88	86	120	118	109
"Other" Minnesota	105	102	108	104	108
Montana	123	109	113	116	113
Northern Michigan	108	118	119	110	107
North Dakota	132	116	110	117	114
South Dakota	115	106	104	121	110
N. W. Wisconsin	102	103	111	116	113
Ninth District	108	111	110	101	103

Freight carloadings in full carlots during May exceeded carloadings in May last year by 14 per cent, and made a new high record for May loadings. The greater part of the increase was due to a 50 per cent increase in loadings of ore, which amounted to 197,454 cars in May, 1929. This was the largest ore shipping record for May of any year since the figures began in 1919. The ore shipments consisted largely of iron ore from the northern ranges, where the output has been stimulated by the large steel production in the United States and by the fact that stocks of iron ore at lower lake ports were greatly depleted during the winter months. Copper output in Michigan and Montana has also been larger than usual this spring. During the first five months of 1929, reporting companies

in these states extracted 20 per cent more copper than in the same months last year.

The country check clearings index for May was 5 per cent higher than the index for May last year. Of the clearings indexes for the subdivisions of the district, rural Minnesota and the Michigan and Wisconsin counties, showed the greatest increases over a year ago. Montana showed a small increase and the North and South Dakota index declined. Building contracts awarded during May were 40 per cent larger than the contracts awarded in May last year. Building permits, on the other hand, decreased 18 per cent. The decrease in permits was due to smaller permits in Minneapolis, St. Paul and Duluth, while permits in the smaller cities were larger than a year ago. Postal receipts, life insurance sales and flour shipments in May were larger than in May last year, while linseed product shipments, department store sales and country lumber sales decreased. Wholesale trade was in about the same volume as a year ago. Business failures, as reported by R. G. Dun and Company, were fewer in number in May, 1929 than in May last year.

The increase in business, which has been occurring in the district for many months, extended into the part of June for which records are available. The daily average of debits to individual accounts for the first three weeks of June was 5 per cent



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

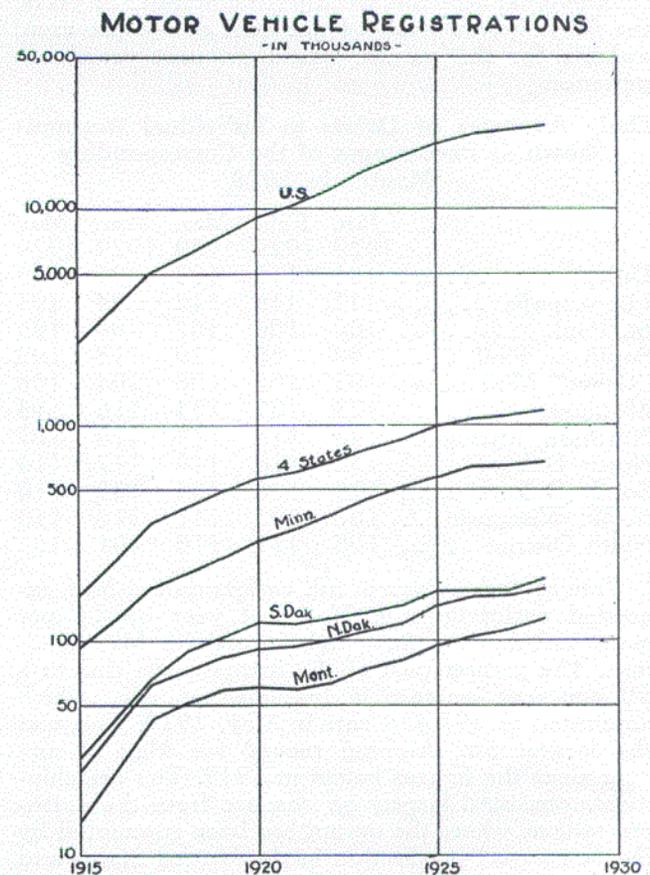
DEBITS TO INDIVIDUAL ACCOUNTS IN THE NINTH FEDERAL RESERVE DISTRICT

(May 1929, with comparisons)

	May 1929	April 1929	May 1928	April 1928
Number of Business Days:	1929	1929	1928	1928
Minnesota	26	26	26	24
Other States	26	26	26	25
	(000's omitted)			
Michigan				
Escanaba (1 Bank)	\$ 1,065	\$ 978	\$ 921	\$ 959
Hancock	2,090	1,995	2,260	1,635
Houghton (1 Bank)	722	760	.....	.....
Iron Mountain	4,775	5,340	3,771	4,008
Iron River, Caspian, Stambaugh	1,455	1,924	1,573	1,725
Manistique (1 Bank)	510	525	.....	.....
Marquette	5,310	4,216	4,589	3,746
Menominee	3,739	3,693	3,432	3,328
Sault Ste. Marie	2,724	2,436	3,145	2,644
Minnesota				
Albert Lea	3,685	3,218	3,477	2,929
Austin (2 Banks)	3,847	3,374	3,604	.....
Benson (1 Bank)	504	406	425	411
Chaska	559	535	521	495
Chisholm (2 Banks)	715	896	777	785
Cloquet	2,480	3,159	2,486	2,765
Crookston (1 Bank)	1,093	1,087	1,062	1,011
Detroit Lakes	1,002	924	.....	.....
Duluth	82,456	70,149	97,015	68,873
Ely	662	844	576	732
Glenwood	613	463	585	565
Hutchinson	1,392	1,589	1,220	1,298
Little Falls	1,219	1,202	1,223	1,052
Mankato	6,889	6,947	6,816	6,042
Minneapolis	451,066	427,505	444,981	421,564
Morris	614	593	617	510
Owatonna	3,643	3,089	3,282	2,533
Park Rapids	545	479	631	509
Red Wing	2,636	2,615	2,625	2,532
Rochester	6,966	6,932	6,568	5,983
St. Cloud (1 Bank)	521	411	433	371
St. Paul	176,338	179,653	162,572	165,692
South St. Paul	33,695	36,711	30,925	28,733
Stillwater	2,841	2,973	.....	.....
Thief River Falls	848	825	815	800
Virginia	2,742	2,637	.....	.....
Wabasha	935	767	845	718
Wadena	1,189	1,064	1,218	1,064
Wheaton	580	652	.....	.....
Willmar (1 Bank)	467	385	450	429
Winona	8,257	7,947	6,835	7,664
Worthington (1 Bank)	813	983	887	802
Montana				
Billings	9,622	9,581	8,532	8,635
Bozeman	2,279	2,273	2,389	2,190
Butte (2 Banks)	14,439	14,211	11,452	10,968
Deer Lodge	1,410	1,464	1,261	823
Glendive	1,301	1,367	1,513	1,324
Great Falls	18,171	17,192	15,797	14,329
Helena	8,613	11,075	8,039	8,486
Lewistown	2,677	2,421	2,597	2,297
Miles City (1 Bank)	1,797	1,915	1,953	1,812
North Dakota				
Bismarek	4,587	4,254	3,797	3,444
Devils Lake	1,770	1,912	1,857	1,859
Dickinson	1,762	1,640	1,447	1,352
Fargo	20,935	21,596	16,751	17,087
Grand Forks	7,412	8,033	8,177	7,500
Jamestown	2,904	3,162	2,676	2,672
Mandan	1,881	2,003	2,164	1,429
Minot	8,700	8,709	7,402	6,845
Wahpeton	1,017	1,067	784	874
Williston	1,868	1,629	1,377	1,393
South Dakota				
Aberdeen	6,671	6,491	7,461	7,059
Brookings (1 Bank)	1,149	1,159	1,205	1,046
Huron	5,926	5,854	6,209	5,195
Lead	1,405	1,424	1,398	1,182
Madison (1 Bank)	1,160	1,032	.....	.....
Mitchell (2 Banks)	4,794	4,800	4,390	4,085
Mobridge	816	802	893	790
Pierre	1,752	1,625	1,620	1,584
Rapid City	4,633	4,135	4,050	3,383
Sioux Falls	23,829	22,360	19,445	17,882
Watertown	5,594	5,624	4,993	4,472
Yankton (3 Banks)	1,438	2,463	1,095	1,959
Wisconsin				
Ashland	2,554	2,378	.....	.....
Chippewa Falls	2,769	2,576	2,893	2,748
Eau Claire	8,803	8,208	.....	.....
Hudson	579	614	632	530
La Crosse	13,742	13,823	11,713	10,755
Merrill (1 Bank)	1,503	1,410	1,406	1,292
Superior	8,935	8,906	7,793	7,325
Total for all Cities Reporting Both Years	\$1,010,070	\$978,226	\$980,323	\$908,252

larger than the daily average in the corresponding weeks last year. The country check clearings index for the first fifteen business days of June exceeded this index for the corresponding period last year by 6 per cent, which was entirely due to a larger volume of transactions in rural Minnesota. The daily average of building contracts awarded in the first twelve business days of June, as reported by the F. W. Dodge Corporation, amounted to \$362,600, as compared with the daily average for the full month of June, 1928 of \$310,000.

Motor vehicle registrations in Minnesota, North Dakota, South Dakota and Montana during 1928 were 7 per cent larger than in 1927. Passenger car registrations increased 6 per cent, and truck registrations increased 17 per cent. Percentage increases in motor vehicle registrations were more pronounced in South Dakota and Montana than in the other two states. In Montana, the rate of increase of past years was maintained, but in South Dakota there had been practically no increase during the two preceding years, and the 1928 increase resumed the trend which was interrupted at the close of 1925.



Motor Vehicle Registrations in Minnesota, North Dakota, South Dakota and Montana and for the entire United States, 1915-1928.

Farm owned passenger cars made a smaller percentage gain in 1928 in these four states than the gain in registrations of all passenger cars in these states. Consequently, the percentage of passenger cars which were farm owned decreased. The percentage increases in motor truck registrations on farms were larger during 1928 than the gain in total truck registrations.

Passenger Car Registrations

	Total	On Farms	% Farm Owned
1927			
Minnesota	565,401	183,572	32
Montana	94,733	64,719	68
North Dakota	144,830	80,192	55
South Dakota	153,019	84,885	55
Four States	957,983	413,368	43
1928			
Minnesota	583,789	193,000	33
Montana	104,231	64,000	61
North Dakota	151,778	81,000	53
South Dakota	171,067	87,500	51
Four States	1,010,865	425,500	42

Motor Truck Registrations

	Total	On Farms	% Farm Owned
1927			
Minnesota	81,281	23,057	28
Montana	18,002	6,524	36
North Dakota	15,871	7,322	46
South Dakota	16,533	7,506	45
Four States	131,687	44,409	34
1928			
Minnesota	89,784	26,500	30
Montana	21,804	8,500	39
North Dakota	21,747	9,300	43
South Dakota	20,307	9,500	47
Four States	153,642	53,800	35

DISTRICT SUMMARY OF BANKING

Country member banks have continued to borrow slightly more from this Federal Reserve Bank than in any year since 1924. The early summer decrease in these borrowings occurred at the usual time, but lasted for only two weeks. In the week ending June 19 there was again a moderate increase in borrowings, although the total did not equal the spring peak which was reached on May 29. The characteristic summer decrease in the country bank borrowings curve for this district is the result of the occurrence each summer of the peak of dairy income. The decrease in borrowings is largely confined to banks in the mixed farming region. Banks in the wheat belt continue to increase their borrowings steadily throughout this part of the summer, until they reach a peak in August. In 1929, there was no exception to this usual seasonal movement, except that the borrowings by wheat belt banks have increased more rapidly than usual.

Part of the explanation of the larger amount of borrowings from this Federal Reserve Bank is found in the fact that deposits at country member banks have decreased sharply during the winter and spring. Between November and May, country member bank deposits decreased 27 million dollars, or 5 per cent. Seven million dollars of this decrease occurred during the month of May. The May shrinkage was most pronounced in North Dakota and Montana. In South Dakota, there was a slight increase in country member bank deposits during May.

Country banks were carrying smaller balances with city correspondent banks than a year ago. The city member banks which make weekly reports to this office had 24 million dollars less in country bank balances on June 12 than on the same date last year. There has been very little change in these balances during recent weeks.

This shrinkage in deposits due to other banks has been the principal unseasonal change in the condition of city banks during the past year. Time deposits and deposits of public funds were larger on June 19 than a year ago, and other demand deposits due to individuals and corporations were smaller than a year ago. There was the customary increase in deposits during the period of real estate tax payments around the end of May. On the asset side of the balance sheet of these city banks, commercial loans (the "all other" classification) were slightly larger than a year ago. Investment holdings were smaller, loans secured by stocks and bonds were larger, balances due from banks showed little change and items in process of collection were considerably under last year's total. Borrowings by these city banks from the Federal Reserve Bank continued to be moderately larger than last year's figures for corresponding dates.

DISTRICT SUMMARY OF AGRICULTURE

The cash income of the farmers in the Ninth Federal Reserve District amounts to more than 1 billion dollars, according to the best available estimates. The income from wheat is not more than one-fourth of the farm income of the district. The income from dairying, hogs, and poultry is twice as large as the income from wheat in this district. To meet the demand for information evidenced by numerous inquiries recently received, there are tabulated below the two estimates of cash income in the Northwest which have been computed and published for 1928. These estimates are the figures published in the Business Survey of Lane, Piper and Jaffray, Incorporated, of Minneapolis and the figures for most items of farm income published by the Federal Reserve Bank. The former figures are for Minnesota, North Dakota, South Dakota and Montana, and are annual estimates, using December 1 prices. The majority of the latter figures are for the Ninth Federal Reserve District and are derived from monthly marketing and price data throughout the year. There are other important differences between the two

series of figures, but either series gives a good general expression of the relative importance of various items of farm income in the Northwest.

Estimated Cash Income of Northwestern Farmers

In \$1,000's

	Lane, Piper and Jaffray, Inc.	Federal Reserve Bank
Wheat	\$197,083	\$292,880
Rye	13,081	18,870
Potatoes	13,066	29,342
Flax	32,938	35,785
Corn	21,824	.....
Oats	20,088	.....
Barley	31,637	.....
Hay	17,498	.....
Cattle and Calves	\$201,234	\$.....
Hogs	143,503	136,739
Sheep	23,123	.....
Wool	15,254	14,925
Poultry	65,336	.....
Dairying	210,130	243,631

Total of all

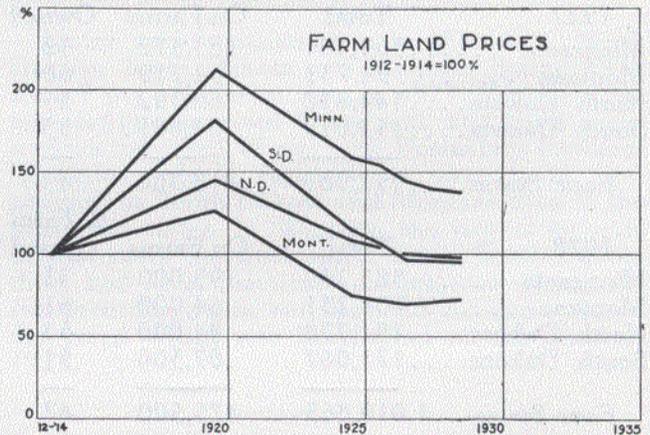
Estimated Items \$1,005,795

\$772,172

Another method of determining the importance of the wheat crop to farmers in the Northwest is to determine the proportion of the farm population which is located in the wheat belt. There are presented on a subsequent page, three maps showing the distribution of the wheat acreage in 1928, of dairy cows on January 1, 1929 and of farm population in 1925. From an analysis of the population figures by counties in the Ninth Federal Reserve District, it appears that 35 per cent of the farm population is located in the main wheat raising section of the district and 65 per cent of the farm population is located in the mixed farming region. These figures are necessarily rough approximations, since there are dairy farmers in the wheat belt and wheat farmers in the mixed farming region. It is believed, however, that the number of mixed farming operators in the wheat belt is about equal to the number of wheat farmers outside of the wheat belt in this district.

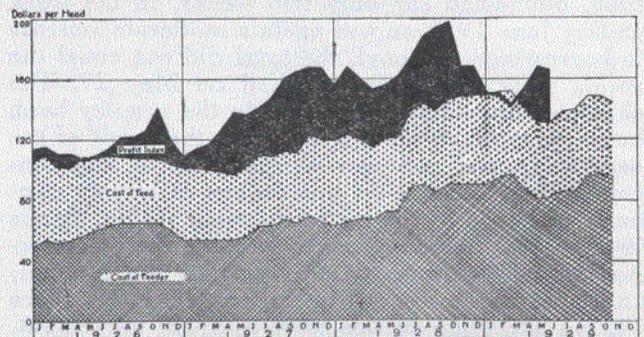
The low price of wheat which has been maintained throughout the present crop year has stimulated the trends towards "horseless" farms and "wheatless" farms, according to the June 1 Monthly Review of North Dakota Conditions, issued by the Northern and Dakota Trust Company of Fargo, North Dakota. Acreages of corn, barley, alfalfa, sweet clover and flax, which are important items in the diversified farming program in North Dakota, have been increased in 1929. On the other hand, a report from Williston, North Dakota, which was quoted in the above named review, is that wheat acreage in that section of the state has been largely increased owing to the use of modern machinery. Machinery dealers in the Williston area have sold more machinery than in any two previous springs.

The decline in farm land prices has been very slight for the last two years in the northwestern states of this district, according to March 1 estimates of the United States Department of Agriculture. In Montana, farm land prices have actually increased for the last two years. In Minnesota, farm land prices on March 1, 1929 were 38 per cent above the pre-war average, but farm land prices in North Dakota, South Dakota and Montana were below the pre-war average.

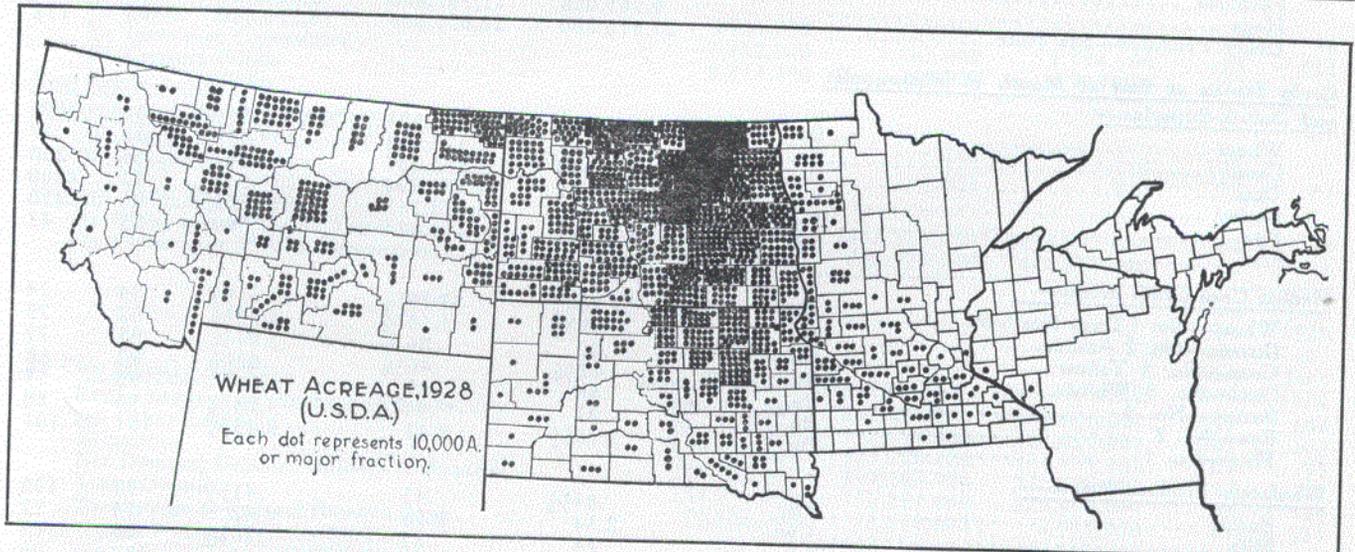
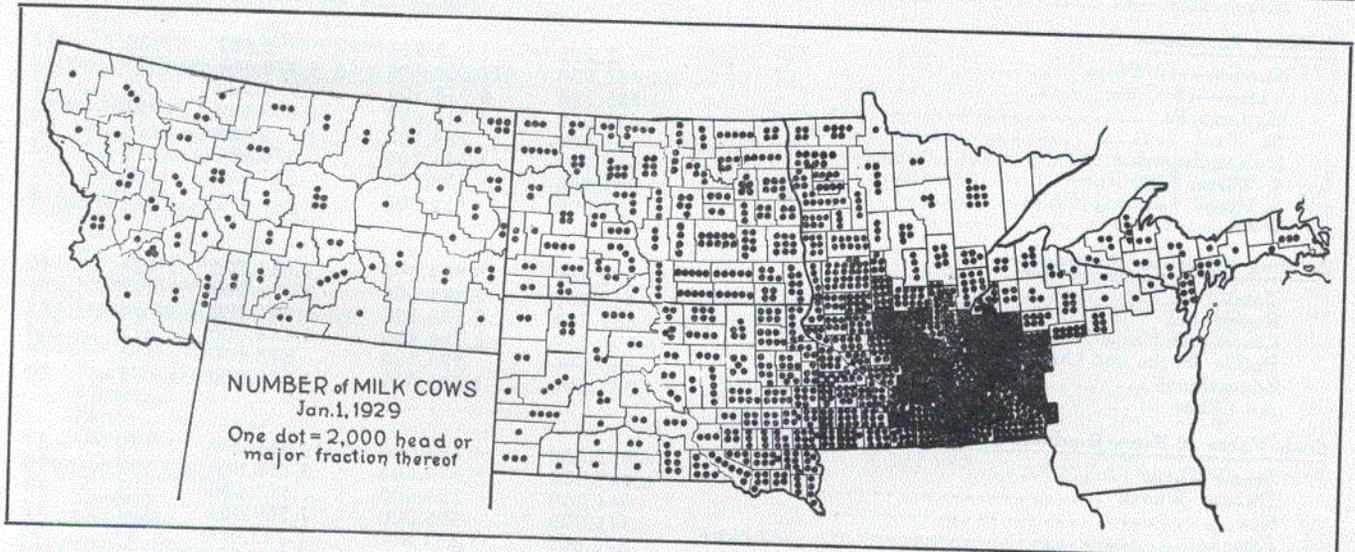
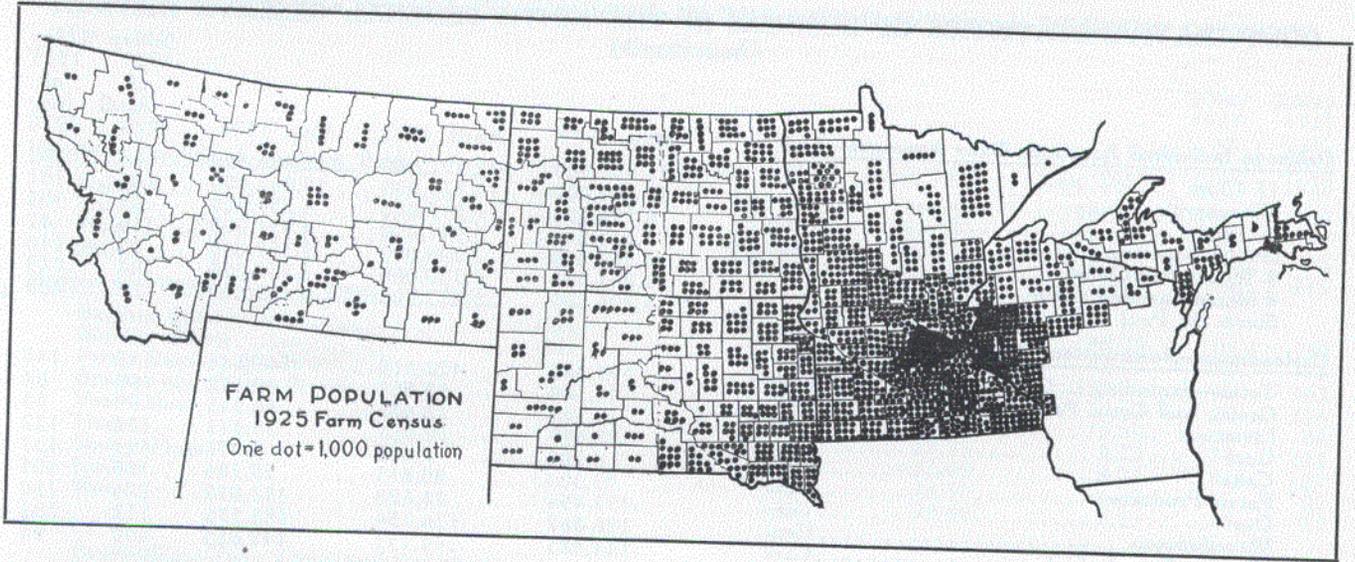


Farm Land Prices in Four Northwestern States, as percentages of the pre-war average prices in 1912-1914.

Profits from feeding steers in this district last winter were satisfactory where the steers were purchased in October or later. Steers purchased in August and September yielded a net loss to the feeder, according to the index computed in this office. It should be noted, however, that this index of steer feeding profits is only an approximation based on the market prices of feeder steers and sufficient feed to carry them for five months, as compared with the market price of prime fat steers at the close of the five-month feeding period. No estimate is made for costs of labor or transportation and no allowance is made for the lower cost of feed which is produced on the farm where the feeding operation is carried on. Nevertheless, this index affords the only available criterion of changes in the profitableness of feeding steers, and is valuable for that reason.



Steer Feeding Costs and Profits in the Northwest.



The Distribution of Farm Population, Wheat Acreage and Dairy Cows in the Ninth Federal Reserve District. The distribution of dairy cows in Montana was taken from 1925 records, which are the latest available figures.

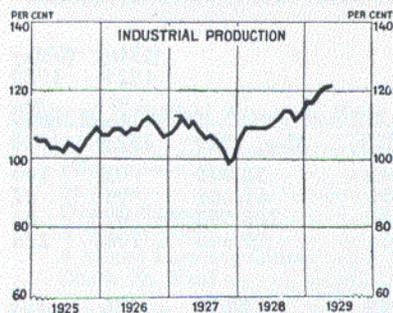
COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

	May, 1929	April, 1929	May, 1928	%May 1929 of April 1929	%May 1929 of May 1928
Debits to Individual Accounts, Daily Averages—Unit					
17 Cities	\$33,098,000	\$32,192,000	\$32,409,000	103	102
Minneapolis	17,271,000	16,325,000	17,047,000	106	101
St. Paul	6,590,000	6,910,000	6,253,000	95	105
Duluth-Superior	3,515,000	3,041,000	4,031,000	116	87
8 Wheat Belt Cities	2,562,000	2,705,000	2,327,000	95	110
4 Mixed Farming Cities	1,864,000	1,799,000	1,562,000	104	119
South St. Paul	1,296,000	1,412,000	1,189,000	92	109
Carloadings—Northwestern District—					
Total—Excluding L. C. L. Cars	577,875	421,619	507,645	137	114
Grains and Grain Products	41,360	38,869	49,112	106	84
Livestock	28,515	28,685	30,745	99	93
Coal	22,079	18,065	18,111	122	122
Coke	8,206	7,405	5,976	111	137
Forest Products	83,394	80,813	79,286	103	105
Ore	197,454	71,628	131,839	276	150
Miscellaneous	196,867	176,154	192,576	112	102
Merchandise—L. C. L. Cars	144,485	144,953	149,855	100	96
Building Permits—					
Number—18 Cities	2,315	2,313	2,502	100	93
Value—18 Cities	\$4,468,800	\$11,180,800	\$ 5,470,000	40	82
Minneapolis	1,885,300	6,938,500	2,117,300	27	89
St. Paul	699,800	1,910,000	1,080,600	37	65
Duluth-Superior	367,500	284,600	1,156,500	129	32
4 Wheat Belt Cities	532,700	1,341,700	370,500	40	144
6 Mixed Farming Cities	785,500	552,100	571,400	142	137
4 Mining Cities	198,000	153,900	173,700	129	114
Building Contracts Awarded—					
Total	13,322,400	10,984,000	9,483,700	121	140
Residential	2,442,100	2,083,600	2,672,600	117	91
Commercial and Industrial	1,881,200	3,392,900	1,152,400	55	163
Public Works and Utilities	6,973,900	3,288,400	3,114,800	212	224
Educational	683,500	393,500	872,000	174	78
All Other	1,341,700	1,825,600	1,671,900	73	80
Cash Value of Farm Products Sold—					
Bread Wheat	4,832,000	6,296,000	12,965,000	77	37
Durum Wheat	6,149,000	3,875,000	5,158,000	159	119
Rye	514,000	290,000	1,357,000	177	38
Flax	513,000	505,000	1,389,000	102	37
Potatoes	676,000	1,641,000	1,243,000	41	54
Hogs	9,765,000	11,161,000	8,864,000	87	110
Dairy Products—See Note	21,616,000	22,651,000	18,270,000	95	118
Grain Stocks at End of Month at Minneapolis and Duluth-Superior—					
Wheat	Bu. 45,991,000	53,222,521	29,110,854	86	158
Corn	Bu. 363,397	1,373,624	769,435	26	47
Oats	Bu. 1,912,343	2,906,591	957,087	66	200
Barley	Bu. 4,155,602	4,574,394	329,842	91	1260
Rye	Bu. 2,831,164	3,273,763	837,060	86	338
Flax	Bu. 398,747	478,684	941,569	83	42
Median Cash Grain Prices—					
Wheat—No. 1 Dark Northern	Bu. \$1.21 ³ / ₄	\$1.29 ¹ / ₈	\$1.65 ¹ / ₂	94	74
Durum—No. 2 Amber	Bu. 1.03 ³ / ₄	1.13 ¹ / ₄	1.37 ¹ / ₂	92	75
Corn—No. 3 Yellow	Bu. .82	.86 ³ / ₈	1.04 ³ / ₈	95	79
Oats—No. 3 White	Bu. .42 ³ / ₄	.46 ¹ / ₄	.62 ¹ / ₂	92	68
Barley—No. 3	Bu. .58	.63	.92	92	63
Rye—No. 2	Bu. .87	.90 ³ / ₈	1.28 ⁷ / ₈	96	68
Flax—No. 1	Bu. 2.46 ¹ / ₂	2.45	2.43 ³ / ₄	101	101
Wholesale Produce Prices—					
Butter	Lb. .41 ¹ / ₂	.43	.41 ¹ / ₂	97	100
Milk	Cwt. 2.34	2.50	2.42	94	97
Hens—4 ¹ / ₂ Pounds	Lb. .24	.25	.20 ¹ / ₂	96	117
Eggs	Doz. .24	.23 ¹ / ₂	.25	102	96
Potatoes	Bu. .66	.66	1.12 ¹ / ₂	100	59

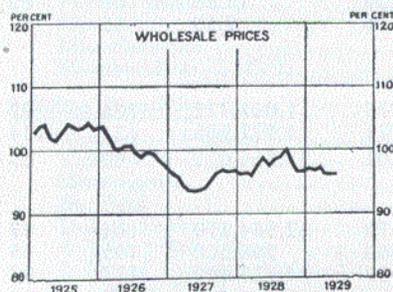
Note: April, 1929; March, 1929; and April, 1928.

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

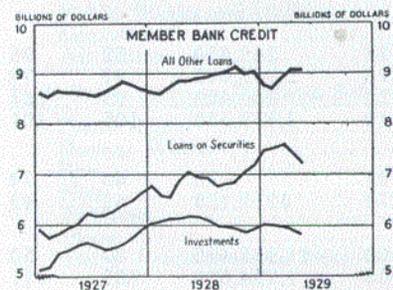
	Unit	May, 1928	April, 1929	May, 1929	%May 1929 of April 1929	%May 1929 of May 1928
Livestock Receipts at South St. Paul—						
Cattle	Head	64,368	69,045	58,978	93	109
Calves	Head	55,070	56,351	63,186	98	87
Hogs	Head	171,241	187,624	208,552	91	82
Sheep	Head	17,330	16,061	7,668	108	226
Median Livestock Prices at South St. Paul—						
Butcher Cows	Cwt.	\$9.50	\$9.00	\$8.75	106	109
Butcher Steers	Cwt.	13.00	12.75	12.25	102	106
Prime Butcher Steers	Cwt.	13.75	13.90	13.50	99	102
Stocker and Feeder Steers	Cwt.	10.50	10.75	10.00	98	105
Veal Calves	Cwt.	12.50	14.50	13.00	86	96
Hogs	Cwt.	10.50	11.15	9.35	94	112
Heavy Hogs	Cwt.	10.00	11.00	8.25	91	127
Lambs	Cwt.	14.25	16.50	16.00	86	89
Ewes	Cwt.	6.50	10.00	7.50	65	87
Flour—						
Production—Twin Cities and Duluth-						
Superior	Bbls.	979,942	926,974	1,061,722	106	92
Shipments from Minneapolis	Bbls.	1,065,425	879,711	1,022,365	121	104
Linseed Products Shipments from Minneapolis—Lbs.						
		30,071,502	31,154,402	33,866,072	97	89
Retail Sales—						
Department Stores		\$2,493,740	\$2,399,470	\$2,584,890	104	97
Furniture Stores		526,960	501,760	566,360	105	93
Country Lumber Yards	Bd. Ft.	14,111,000	11,076,000	14,323,000	127	99
Retail Merchandise Stocks—						
Department Stores		\$6,096,420	\$6,242,720	\$6,581,340	98	95
Furniture Stores		2,627,800	2,572,350	2,753,700	102	95
Country Lumber Yards	Bd. Ft.	90,474,000	89,615,000	92,064,000	101	98
Life Insurance Sales—(4 States)						
		\$27,493,000	\$25,732,000	\$25,069,000	107	110
Wholesale Trade—						
Farm Implements		259,890	495,580	269,850	52	96
Hardware		2,046,710	2,114,370	2,063,460	97	99
Shoes		468,680	495,420	464,400	95	101
Groceries		4,975,100	4,722,940	4,933,330	105	101
Business Failures—						
Number		52	81	70	64	74
Liabilities		\$445,891	\$717,778	\$912,178	62	49
Securities Sold—						
To Banks		\$965,100	\$1,105,400	\$1,935,400	87	50
To Insurance Companies		1,259,000	1,203,000	1,134,600	105	111
To General Public		6,234,300	6,304,000	6,737,000	99	93
Real Estate Activity in						
Hennepin and Ramsey Counties—						
Warranty Deeds Recorded		1,418	1,318	1,552	108	91
Mortgages Recorded		1,698	1,831	1,944	93	87
Member Bank Deposits—						
In Cities under 15,000 Population		\$451,453,000	\$458,119,000	\$456,871,000	99	99
In Cities over 15,000 Population		441,118,000	446,721,000	446,696,000	99	99
					%June 1929 of May 1929	%June 1929 of June 1928
24 City Member Banks—						
Loans Secured by Stocks and Bonds		\$87,410,000	\$82,005,000	\$84,408,000	107	104
All Other Loans		165,138,000	162,244,000	161,837,000	102	102
Securities		124,614,000	123,720,000	131,454,000	101	95
Net Demand Deposits Subject to Reserve		213,590,000	209,285,000	225,267,000	102	95
Time Deposits		134,237,000	130,822,000	129,404,000	103	104
Borrowings at Federal Reserve Bank		10,882,000	11,752,000	4,973,000	93	219
Minneapolis Federal Reserve Bank—						
Bills Discounted		16,635,258	16,368,975	7,642,549	102	218
Federal Reserve Notes in Circulation		62,430,315	63,386,480	55,187,200	98	113



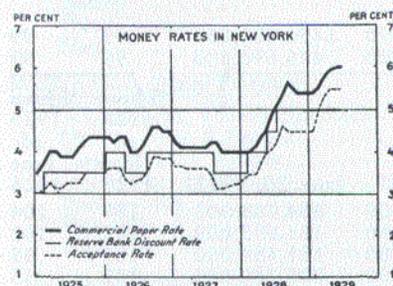
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average=100). Latest figure, May, 123.



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, May, 95.8.



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



Monthly rates in the open market in New York: commercial paper rate on 4- to 6-month paper and acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 22 days in June.

Summary of National Business Conditions (Compiled June 26 by Federal Reserve Board)

Production and distribution of commodities continued at a high rate in May. Wholesale commodity prices declined further during the month, but more recently showed some advance. Total loans and investments of member banks in leading cities have increased since the latter part of May.

PRODUCTION: Industrial production continued large in May and was accompanied by a further increase in the volume of factory employment and payrolls. The output of the iron and steel industry increased further, and shipments of iron ore during May were the largest for that month of any recent year. Production of pig iron, steel ingots and coke was at record levels and semi-finished and finished steel was produced in large volume. During the first half of June, steel operations remained close to capacity, although some decline from the high rate of May was reported. The output of automobiles, which has been in unusually large volume since the beginning of the year, showed a slight reduction in May.

Copper production at mines, smelters and refineries decreased during May but continued large. Combined stocks of refined and blister copper at the end of May were the largest since 1927. Zinc, lead, petroleum and bituminous coal were produced in larger volume than in April, while the output of anthracite coal declined. Output in the textile industries continued large in May, although there was a decline in activity in silk mills. Meat production, while larger than in April, increased less than is usual at this season.

The value of building contracts awarded declined in May, and was below last year's level, the decrease in comparison with 1928 being chiefly in residential buildings. During the first two weeks in June, contracts averaged 15 per cent less than in the same period in 1928.

The June 1 crop summary of the Department of Agriculture indicated an increase of 43,000,000 bushels, or more than 7 per cent, in the crop of winter wheat. The condition of spring wheat, barley and hay was reported to be better than a year ago.

DISTRIBUTION: The volume of freight shipments increased seasonally in May, and continued substantially above the total of a year ago. Department store sales increased in May, and were 2 per cent larger than in the same month in the preceding year.

PRICES: Wholesale prices continued in May the downward movement of the previous month, according to the Index of the United States Bureau of Labor Statistics. The decline of the general level was chiefly the result of price declines in agricultural products and their manufactures, although prices of other products also declined slightly. Prices of cotton and grains continued sharply downward in May and there were marked declines in the prices of hogs, wool and lambs. Prices of minerals and forest products and their manufactures averaged lower in May than in April, particularly those of copper, lead and tin. Petroleum and gasoline and iron and steel advanced in price, while in lumber there was a slight decline. Since the latter part of May, prices of cattle and hides have advanced sharply and there have been increases in the prices of grains, hogs and cotton.

BANK CREDIT: Total loans and investments of member banks in leading cities, which were at a low point for the year in the latter part of May, increased considerably during the subsequent three weeks, and on June 19 were about \$250,000,000 larger than a year ago. The recent increase reflected a large growth in the volume of loans on securities, which had declined during the preceding two months, and a further growth in loans, chiefly for commercial and agricultural purposes. Investments declined during most of the period and on June 19 were at a level about \$450,000,000 below that of the middle of last year. The volume of Reserve bank credit outstanding, after increasing in the latter part of May, declined in June and following the Treasury financial operations around the middle of the month, showed a small increase for the four weeks ending June 19. Discounts for member banks increased, while holdings of acceptances and United States securities showed a decline. There were some further additions to the country's stock of monetary gold. Open market rates on collateral loans declined in June, while rates on prime commercial paper and 90-day bankers' acceptances remained unchanged.