

# THE MONTHLY REVIEW

*Of Agricultural, Industrial, Trade and Financial  
Conditions in the Tenth Federal Reserve District*

FEDERAL RESERVE BANK OF KANSAS CITY

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Vol. 11

KANSAS CITY Mo., AUGUST 1, 1926

No. 8

**M**ID-YEAR reports reflected improvement in the outlook for this year's farm production in the states and parts of states embraced in the Tenth Federal Reserve District.

Due to the improvement between June 1 and July 1 the official forecast of winter wheat in this district was increased 11,514,000 bushels to an estimated total on the last mentioned date of 268,373,000 bushels, 116,895,000 bushels more than the harvested crop of 1925 and 47.2 per cent of the entire United States winter wheat production for the year. As the harvest advanced threshing returns showed larger per acre yields in most sections than had been previously reported, and it was evident late in July a revision at the end of the month would show several million bushels added to the July estimate.

The corn crop in the district was forecast on the condition of July 1 at 464,379,000 bushels, 24,924,000 bushels more corn than was produced last year. Heavy rains throughout the corn belt during July were beneficial to the crop and in most sections conditions were excellent.

The July estimates indicated larger crops of rye, barley, grain sorghums, broom corn and sugar beets than were harvested last year, a probable small decrease in cotton, and moderate decreases in oats, potatoes and hay.

As a whole, the reports were favorable for a year of good farm crops, and with the improvement in growing conditions during July for all unharvested crops the prospects were very bright.

**T**HE volume of business in the Tenth Federal Reserve District increased during June and entered July and the second half of the year at a level slightly above that reported at this time last year. This was indicated by the daily rate at which checks were drawn by customers on their bank accounts in thirty cities.

Daily average debits, four weeks ending June 30, this year, \$52,789,958, against \$51,554,780 last year; increase 2.4 per cent.

Daily average debits, first six months this year, \$51,276,422, against \$50,275,792 last year; increase 1.99 per cent.

Distribution of merchandise by wholesalers continued heavy in June. While some lines reported a smaller volume of sales in

dollars, the combined total for all reporting lines was a figure somewhat above that for the preceding month and the corresponding month in 1925. June retail trade at department stores failed to come up to the volume reported for May, due to the unseasonably cool weather in the forepart of the month, but the total was larger by 1.6 per cent than in June 1925, and sales in dollars from January 1 to June 30, inclusive, were larger than those reported for the like period last year.

The grain trade, as reflected by the market reports, was unusually heavy for June. The movement of new wheat late in the month assumed enormous proportions, and early in July was surpassing all previous high records for this time of the year.

Market receipts of live stock were large for the month, cattle and sheep showing increases, and calves and hogs showing decreases, as compared with the receipts for the like month last year.

Production of flour at southwestern mills was larger than June a year ago. Meat packing reports for June reflected increases in the slaughter of cattle and sheep and decreases in the slaughter of calves.

Mineral production was heavy during June, though there was a slight decrease in the daily output of crude oil and a small decrease in daily runs of crude oil to refineries. Zinc ore shipments were larger and lead ore shipments smaller than a year ago, and the output of the metal mines in the Rocky Mountain regions was reported as exceeding that reported for the season last year. Coal mining activity held up during June and production for the month and first six months of this year exceeded that for June and the first six months of 1925.

There was a further decline in building activity in eighteen reporting cities of the District during June, and the totals for the first half of the year showed decreases in the number of permits and in the estimated cost of construction as compared with the record for last year's first six months. However, building contracts awarded indicated a substantial increase for the District as a whole. A very large volume of business was reported by retail lumber yards in cities and country towns.

The demand for credit at banks in the Tenth District increased seasonally in June. At the close of the month the volume of loans outstanding was slightly larger than at the corresponding date last year. As marketward movements of new wheat attained high record proportions during July, there were further increases in the volume of loans and deposits.

STATISTICAL RECORD, TENTH FEDERAL RESERVE DISTRICT  
 First Half of 1926 and 1925

	Six Months 1926	Six Months 1925	Change Perct.
Bank Debts, 30 cities.....	\$7,896,569,000	\$7,742,472,000	2.0
Clearings, F. R. Bank.....	\$5,512,424,000	\$5,251,542,000	5.0
Items handled.....	34,747,679	33,243,433	4.5
Business failures.....	638	647	1.4
Liabilities.....	\$ 7,336,740	\$ 8,949,911	-18.0
Building permits, 18 cities.....	15,313	18,912	-19.0
Value.....	\$ 47,981,830	\$ 66,806,349	-28.2
Grain receipts, 5 markets:			
Wheat, bushels.....	37,809,150	38,490,200	-1.8
Corn, bushels.....	28,999,500	27,203,950	6.6
Oats, bushels.....	6,518,500	11,677,500	-44.2
Flour production, barrels.....	10,048,810	10,339,614	-2.8
Crude oil production, barrels.....	119,041,000	120,549,000	-1.2
Coal production, tons.....	13,274,000	12,572,000	5.6
Ores shipped, 3 states:			
Zinc, tons.....	430,269	404,435	6.6
Zinc, value.....	\$ 21,207,736	\$ 20,867,816	1.6
Lead, tons.....	63,619	65,674	-3.1
Lead, value.....	\$ 6,734,570	\$ 7,554,841	-10.8
Live Stock receipts, 6 centers:			
Cattle.....	2,266,694	2,350,291	-3.6
Calves.....	320,537	380,192	-15.7
Hogs.....	4,343,743	5,349,858	-18.8
Sheep.....	3,364,616	3,291,856	2.2
Horses-mules.....	55,659	56,513	-1.5
Meat Packing, 6 centers			
Cattle.....	1,391,489	1,349,065	3.1
Calves.....	275,443	306,480	-10.1
Hogs.....	3,234,748	4,020,017	-19.6
Sheep.....	2,124,610	1,959,576	8.4

NOTE: Bank debits are for twenty-six weeks ending June 30, 1926, and July 1, 1925. Zinc and lead ore shipments are for twenty-seven weeks ending July 3, 1926 and July 4, 1925.

## Banking and Credit

**CONDITION OF MEMBER BANKS:** The combined statements of sixty-seven member banks in leading cities of this district, reporting weekly to the Federal Reserve Board, showed \$438,459,000 of loans and discounts at the close of business on June 30. This total was \$7,045,000 larger than four weeks earlier, \$9,283,000 larger than at the close of last December, and \$2,732,000 larger than on July 1, 1925.

Investments of the reporting member banks, amounting to \$193,219,000 on June 30, were \$2,597,000 less than four weeks earlier, but were \$23,767,000 or 14 per cent greater than on July 1, last year.

Demand deposits, totaling \$501,927,000 on June 30, increased \$11,728,000 in four weeks, \$17,974,000 in six months, and were \$9,937,000 larger than on July 1, 1925. Time deposits, \$147,301,000 at the close of June, were \$1,255,000 larger than four weeks earlier, \$5,907,000 larger than six months earlier and \$8,961,000 or 6.5 per cent larger than at the corresponding reporting date last year.

Principal resource and liability items shown in the condition statements of the reporting member banks, as of June 30, are here shown, with totals reported six months earlier and twelve months earlier for comparison:

	June 30, 1926	Dec. 30, 1925	July 1, 1925
Loans and Discounts.....	\$438,459,000	\$429,176,000	\$435,727,000
Investments.....	193,219,000	175,108,000	169,452,000
Total Loans, Discounts and Investments.....	631,678,000	604,284,000	605,179,000
Demand Deposits.....	501,927,000	483,953,000	491,999,000
Time Deposits.....	147,301,000	141,394,000	138,340,000
Government Deposits.....	5,563,000	2,098,000	1,431,000
Total Deposits.....	654,791,000	627,445,000	631,770,000

**RESERVE BANK OPERATIONS:** Weekly statements of the Federal Reserve Bank of Kansas City and branches, covering operations during June and the first three weeks of July, showed but slight change in the volume of credit outstanding as compared with the weekly totals reported during the earlier months of the year. However, the volume of credit outstanding during this period was at a higher level than in the like period in 1925. Changes during six months and one year in the volume of bills discounted and purchased, and in other principal items, are indicated by a comparison of the totals for June 30, 1926, with those for December 30, 1925, and with those for July 1, 1925, as shown in the following:

	June 30, 1926	Dec. 30, 1925	July 1, 1925
Gold Reserves.....	\$ 85,741,440	\$ 94,341,503	\$ 98,453,444
Total Reserves.....	90,984,574	98,619,466	102,912,945
Bills Discounted.....	15,480,334	15,939,422	7,008,942
Bills Purchased.....	11,360,730	16,816,081	12,943,081
U. S. Government Securities.....	36,517,900	37,447,200	32,648,300
Total Bills and Securities.....	63,573,464	70,626,703	53,020,323
Total Resources.....	200,874,415	221,813,002	201,529,226
F. R. Notes in Circulation.....	61,384,500	74,155,200	62,842,840
Total Deposits.....	90,088,871	94,639,044	90,513,614
Reserve Ratio.....	60.0%	58.4%	67.1%

## Savings in Banks

Reports from fifty-three banks in cities of the district showed savings deposits increased 1.6 per cent during June and on July 1 were 3 per cent larger than the amount reported on July 1, 1925. The number of savings depositors in 48 banks was 314,044 on July 1, an increase of 489 over the total in June and an increase of 7,783 or 2.5 per cent in one year. The deposits follow:

	Banks	July 1, 1926	June 1, 1926	July 1, 1925
Denver, Colo.....	6	\$ 46,453,618	\$ 46,550,582	\$ 48,604,718
Kansas City, Kans.....	4	2,932,760	2,876,816	2,850,404
Kansas City, Mo.....	9	14,421,035	14,322,179	13,988,956
Lincoln, Nebr.....	3	3,117,974	3,040,729	2,937,387
Oklahoma City, Okla.....	7	8,697,154	8,453,301	10,210,185
Omaha, Nebr.....	4	6,582,144	6,499,590	6,048,729
St. Joseph, Mo.....	5	7,808,396	7,745,465	9,405,931
Tulsa, Okla.....	6	13,962,658	13,054,330	7,854,645
Wichita, Kans.....	6	4,900,451	4,585,634	3,789,617
Other Cities.....	3	1,044,603	999,722	1,073,347
Total.....	53	\$109,920,793	\$108,128,348	\$106,763,919

## Business Failures

Fewer business insolvencies and a smaller amount of liabilities were reported in the Tenth District for the month of June and the first half of 1926 than for June and the first half of 1925. The number of failures in June was the smallest for a month since September 1924, and June liabilities were the smallest since last February.

The number of failures and amount of liabilities in June and the first six months of 1926 and 1925, compiled by R. G. Dun & Co., follows:

F. R. DISTRICT	NUMBER		LIABILITIES	
	1926	1925	1926	1925
First, Boston.....	222	200	\$ 3,438,111	\$ 3,343,294
Second, New York.....	286	320	6,260,119	4,560,093
Third, Philadelphia.....	87	70	2,303,980	2,373,659
Fourth, Cleveland.....	144	149	3,078,135	5,512,039
Fifth, Richmond.....	96	116	1,719,126	2,196,548
Sixth, Atlanta.....	72	73	839,327	2,099,949
Seventh, Chicago.....	268	229	6,255,014	7,112,848
Eighth, St. Louis.....	81	86	882,180	883,277
Ninth, Minneapolis.....	69	89	505,003	3,342,444
TENTH, KANSAS CITY.....	83	109	885,249	1,342,887
Eleventh, Dallas.....	39	44	1,034,020	536,229
Twelfth, San Francisco.....	261	260	2,207,259	3,398,229
U. S. Total, May.....	1,708	1,745	\$ 29,407,523	\$ 36,701,496
U. S. Total, 6 Months.....	11,476	11,420	209,898,501	239,398,450
TENTH DIST., 6 Months.....	638	647	7,336,740	8,949,911

VOLUME OF BUSINESS IN THIRTY CITIES INDICATED BY DEBITS BY BANKS TO INDIVIDUAL ACCOUNTS

	FOUR WEEKS ENDING			TWENTY-SIX WEEKS ENDING		
	June 30, 1926	July 1, 1925	Percent Change	June 30, 1926	July 1, 1925	Percent Change
Albuquerque, N. M.	\$ 9,872,000	\$ 10,017,000	-1.4	\$ 60,939,000	\$ 57,268,000	6.4
Atchison, Kans.	6,169,000	5,770,000	6.9	38,736,000	38,915,000	-0.5
Bartlesville, Okla.	19,077,000	16,677,000	14.4	109,722,000	91,837,000	19.5
Casper, Wyo.	10,561,000	13,384,000	-21.1	58,647,000	78,675,000	-25.5
Cheyenne, Wyo.	5,432,000	6,531,000	-16.7	36,203,000	39,566,000	-8.5
Colorado Springs, Colo.	14,518,000	16,064,000	-9.6	82,935,000	88,469,000	-6.2
Denver, Colo.	159,686,000	165,832,000	-3.7	1,026,221,000	1,047,177,000	-2.0
Enid, Okla.	17,544,000	13,696,000	28.1	87,601,000	84,410,000	3.8
Fremont, Nebr.	3,733,000	3,509,000	6.4	22,749,000	21,930,000	3.8
Grand Junction, Colo.	3,111,000	2,773,000	12.2	19,405,000	18,086,000	7.3
Guthrie, Okla.	3,164,000	2,856,000	10.8	21,288,000	19,073,000	11.6
Hutchinson, Kans.	15,629,000	13,820,000	13.1	73,635,000	83,460,000	-11.8
Independence, Kans.	11,255,000	10,388,000	8.3	63,283,000	61,545,000	2.8
Joplin, Mo.	15,834,000	15,908,000	-0.5	112,903,000	101,238,000	11.5
Kansas City, Kans.	19,715,000	18,836,000	4.7	119,432,000	117,166,000	1.9
Kansas City, Mo.	336,680,000	336,089,000	0.2	2,159,635,000	2,131,317,000	1.3
Lawrence, Kans.	5,048,000	5,184,000	-2.6	30,885,000	31,511,000	-2.0
Lincoln, Nebr.	31,068,000	29,150,000	6.6	201,841,000	193,139,000	4.5
McAlester, Okla.	4,099,000	3,667,000	11.8	26,263,000	25,457,000	3.2
Muskogee, Okla.	9,994,000	10,617,000	-5.9	71,557,000	75,751,000	-5.5
Oklahoma City, Okla.	89,391,000	77,611,000	15.2	559,290,000	511,611,000	9.3
Okmulgee, Okla.	11,830,000	11,040,000	7.2	73,955,000	69,441,000	6.5
Omaha, Nebr.	189,567,000	191,906,000	-1.2	1,192,717,000	1,216,385,000	-1.9
Parsons, Kans.	3,393,000	3,105,000	9.3	19,830,000	18,427,000	7.6
Pittsburg, Kans.	6,302,000	5,553,000	13.5	38,479,000	36,834,000	4.5
Pueblo, Colo.	18,109,000	18,817,000	-3.8	105,687,000	119,860,000	-11.9
St. Joseph, Mo.	59,147,000	58,391,000	1.3	371,004,000	374,804,000	-1.0
Topeka, Kans.	16,734,000	16,040,000	4.3	105,117,000	107,655,000	-2.4
Tulsa, Okla.	119,163,000	107,670,000	10.7	731,499,000	605,952,000	20.7
Wichita, Kans.	51,134,000	46,413,000	10.2	275,111,000	275,513,000	-0.2
Total 30 Cities	\$1,266,959,000	\$1,237,314,000	2.4	\$7,896,569,000	\$7,742,472,000	2.0

Payments by Check

Debits of checks drawn by customers against their bank accounts in thirty cities of the Tenth District amounted to \$1,266,959,000 during the four weeks ending June 30. This total exceeded that for the preceding four weeks by \$102,441,000 or 8.8 per cent, and it was larger than the amount reported for the corresponding four weeks last year by \$29,645,000 or 2.4 per cent.

Debits during the first twenty-six weeks of 1926, as a measure of the dollar volume of business in the thirty cities, totaled \$7,896,569,000, an increase of \$154,097,000 or 2 per cent over the total for the like period in 1925.

Federal Reserve Bank Clearings

Clearings at the Federal Reserve Bank at Kansas City and branches at Omaha, Denver and Oklahoma City amounted to \$971,115,000 for the month of June, an increase of \$92,845,000 or 10.6 per cent over May, and an increase of \$64,221,000 or 7.1 per cent over June of last year. Clearings for the first six months of 1926 aggregated \$5,512,424,000, an increase of \$260,882,000 or 5 per cent over the volume for the first six months of 1925. The number of items handled during June and the first six months of 1926 was larger than in the corresponding month and six months of 1925. The table which follows shows the number of items handled and the amount for each month of 1926 and 1925:

	ITEMS		AMOUNT	
	1926	1925	1926	1925
January	5,689,267	5,448,539	\$ 932,787,000	\$ 910,543,000
February	5,308,263	5,160,840	809,969,000	791,058,000
March	6,265,324	5,896,323	1,019,110,000	962,476,000
April	5,770,268	5,633,189	901,173,000	873,512,000
May	5,647,274	5,314,313	878,270,000	807,059,000
June	6,067,283	5,790,229	971,115,000	906,894,000
Six Months	34,747,679	33,243,433	\$5,512,424,000	\$5,251,542,000

Trade

WHOLESALE: The volume of wholesale trade in June, in the dollar value of goods sold, was larger than in May for all reporting lines except furniture and millinery, while increases over June of last year were reported by dry goods, hardware and furniture firms, and decreases by groceries, drugs and millinery firms.

The reports of dry goods firms in this district indicated that the increases for the month over May were due largely to the fact that merchants who failed to place advance orders early on summer lines were buying during June for their immediate uses. There were no changes in market prices for staple cotton goods during recent weeks, though previous reductions in prices of leading brands of bleached and unbleached muslins put the market for those goods on a firm foundation. Stocks of dry goods were a little below usual for this season, but deliveries were prompt.

The grocery trade throughout the district was in an increasingly heavy volume in recent weeks, and the increase over May was attributed to the heavy movement of supplies to the country for the harvest season. On the whole, however, the volume of the June trade, for all firms reporting, did not come up to that of June of last year.

Trade conditions reported by wholesale hardware firms improved very perceptibly in June, notably in country communities where building activity this season is particularly heavy, the statistical table showing an increased volume of sales over the previous month and a year ago.

Although the wholesale furniture trade declined seasonally during June, the volume of sales exceeded that of the corresponding month last year.

The wholesale drug trade during the month was slightly larger than in the preceding month but smaller than a year

## WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

	Reporting Stores	Sales June, 1926 compared with		Outstandings (Mo. End.) June 30, 1926 compared with		Collections June, 1926 compared with		Stocks (Mo. End.) June 30, 1926 compared with	
		May 1926	June 1925	May 31, 1926	June 30, 1925	May 1926	June 1925	May 31, 1926	June 30, 1925
		Dry Goods.....	5	8.7	12.1	-0.1	5.8	-1.4	-3.8
Groceries.....	7	7.6	-7.4	2.8	5.3	-0.6	-8.9	-1.8	9.5
Hardware.....	8	4.0	4.1	2.1	4.5	7.8	-2.5	-3.0	-3.0
Furniture.....	5	-7.2	6.0	-5.8	0.4	3.0	-0.4	.....	.....
Drugs.....	8	2.2	-1.2	0.9	5.3	3.9	1.9	-1.3	-3.5
Millinery.....	4	-3.4	-23.3	-15.0	-11.8	-25.7	-4.0	.....	.....

ago. Dealers reported that the policy of close buying by retailers was still pursued, practically no future orders being placed. There was little change in prices during the last month.

June reports showed a very large volume of sales of automobile tires and accessories. The volume for the month increased about 30 per cent over May and about 20 per cent over June a year ago.

Reports on the wholesale stationery trade showed an increase for the month of 5 per cent over the preceding month and about 18 per cent over a year ago.

Distribution of implements and farm machinery was exceptionally large. Some of the old established firms reported their sales for the month were larger than for any June since they had been in business. Distributors of threshers and harvesting machinery reported a splendid business throughout the district except in some sections where wheat and oats made poor showing.

**RETAIL TRADE:** Total sales in June of thirty-seven department stores in this district, reported in dollar amounts, were 3.2 per cent smaller than the total reported for May but 1.6 per cent larger than in June 1925. Increases were reported by twenty-three stores and decreases by fourteen stores. The reports of these department stores showed the volume of sales in dollars from January 1 to June 30, inclusive, was larger by 1.4 per cent than for the corresponding period in 1925. Other retail stores, particularly those handling men's and women's apparel, reported smaller sales in June than in May.

**COLLECTIONS:** The wholesale reports for June showed collections were somewhat improved during the month, due to the brighter crop prospects, and were about the same as a year ago. In automobile tires and accessories, collections continued good, with the trade in June pursuing a firm credit policy. Collections were exceptionally good in the implement line and in the lumber trade. At department stores the percentage of collections during June on amounts outstanding was 43.6 per cent as compared with 42.7 per cent for the corresponding month last year.

## Lumber and Materials

Sales of softwoods during the past 30 days have been fairly large for this season of the year, at which time buying is generally curtailed because of inventory taking by retail yards. Sales in large cities have shown no material change since May and trade has been good in the wheat belt and especially active in the oil fields. Prices of softwoods have remained fairly steady. Mills and yards report no accumulations of stocks.

Demand for hardwoods has increased during the past thirty days at slightly higher prices. Due to increased buying and curtailed production, stocks at the mills are much lower than a few months ago.

The lumber trade in the Tenth District during June, as reported by retail yards, was 2.4 per cent smaller in board feet than in May and 12.5 per cent larger than June of last year. Sales of all materials at these yards in dollars was 10 per cent less than in May and 9.2 per cent larger than in June 1925. The summary of reports of 200 yards follows:

	June 1926 May 1926	Compared to June 1925
Sales of lumber, board feet.....	-2.4	12.5
Sales all materials, dollars.....	-10.0	9.2
Stocks of lumber end of month.....	0.2	-1.1
Outstandings end of month.....	2.6	7.7
Collections during month.....	-2.1	12.2

The lumber cut (softwoods) during the twenty-six weeks of the year ending July 3 was reported by nine associations to the National Lumber Manufacturers Association as 7,011,652,536 feet. Shipments during this period was 7,176,198,799 feet, and orders were 7,125,526,651 feet. Shipments exceeded the lumber cut by 164,546,263 feet or 2.3 per cent, while orders were 50,672,148 feet or 0.7 per cent below shipments. Unfilled orders at 269 mills on July 3 were 772,593,000 feet as compared with 741,527,000 feet at 273 mills on January 2 and 715,532,000 feet at 283 mills on July 4, 1925.

Production of face brick at 66 plants in 17 states during June increased 7.17 per cent over May and was 2.32 per cent larger than in June last year. Shipments during the month were the same as in the preceding month and 2.4 per cent under those of June 1925.

## RETAIL TRADE AT 37 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT

Stores	Reporting	Sales June 1926 compared to		Stocks (Retail) June 30, 1926 compared to		Outstanding Orders June 30, 1926 compared to		Accounts Receivable June 30, 1926 compared to		Collections June 1926 compared to	
		June 1925	May 31, 1926	June 30, 1925	May 31, 1926	June 30, 1925	May 31, 1926	June 30, 1925	May 1926	June, 1925	
		Kansas City.....	3	-8.0	-11.6	3.2	26.6	-7.1	-6.0	3.2	11.3
Denver.....	5	3.0	-5.7	2.7	38.8	-1.9	4.4	1.1	4.3	4.3	
Wichita.....	4	12.3	-17.7	-3.3	-20.0	-49.0	3.8	10.9	9.8	18.4	
Omaha.....	2	-12.4	.....	.....	.....	.....	.....	.....	.....	.....	
Kansas City.....	3	13.2	-5.9	13.4	65.6	-22.3	1.6	22.1	4.3	21.1	
Lincoln.....	3	-0.5	1.7	-7.0	.....	.....	-6.7	2.5	2.2	11.8	
Tulsa.....	3	18.3	-9.3	8.3	40.5	-11.4	-8.7	9.1	-7.4	23.5	
Other Cities.....	14	4.2	-4.0	-0.1	.....	.....	0.5	11.1	6.0	7.3	
Total.....	37	1.6	-7.3	2.2	39.5	-3.5	0.2	5.5	4.4	8.1	

NOTE: Percentage of collections in June on outstanding accounts May 31, all stores reporting, 43.6%. Collections same month last year 42.7%.

ESTIMATED PRODUCTION OF LEADING FARM CROPS IN SEVEN STATES AND THE TENTH FEDERAL RESERVE DISTRICT  
(In thousands of units—000 omitted.)

	Winter Wheat		Corn		Oats		Barley		Potatoes		Tame Hay	
	July 1	Final	July 1	Final	July 1	Final	July 1	Final	July 1	Final	July 1	Final
Colorado.....	17,200	10,752]	24,613	22,410	6,348	6,210	9,602	8,610	11,484	14,190	2,597	2,676
Kansas.....	140,515	74,750	105,658	104,643	34,937	39,376	2,538	4,294	2,962	3,618	2,669	3,466
Missouri.....	16,705	21,965	192,738	201,338	45,133	49,166	.....	.....	6,348	5,160	3,265	3,735
Nebraska.....	33,719	31,661	236,343	236,600	49,513	73,953	514	300	6,250	6,300	3,032	3,888
New Mexico**	4,240	156	4,475	3,150	2,400	720	100	85	170	150	437	387
Oklahoma.....	69,531	25,354	42,495	19,185	28,973	26,220	4,428	1,764	2,637	2,808	776	623
Wyoming.....	594	464	4,098	4,393	4,301	4,690	1,177	1,122	1,478	1,680	1,195	1,288
Seven States.....	282,504	165,102	610,420	591,719	171,605	200,335	18,359	16,175	31,329	33,906	13,971	16,063
Tenth District*	268,373	151,478	464,379	439,455	136,795	163,265	18,319	16,141	26,433	29,876	11,240	13,107
United States.....	567,762	398,486	2,660,780	2,905,053	1,334,260	1,501,909	190,959	218,002	334,044	323,243	77,818	86,474

\*Includes 19 counties of Missouri, 13 counties of New Mexico and 69 counties of Oklahoma.  
\*\*New Mexico figures for July 1926 estimated.

Building

Official reports from cities of the Tenth District showed declines in building operations during June and the first six months of the current year from those recorded for the corresponding month and first six months of the preceding year.

The value of permits granted by the building departments in these reporting cities during the month of June was smaller than that for May by 3.5 per cent and smaller than that for June of last year by 42.1 per cent. The value of permits granted during the first half of the year was 28.2 per cent smaller than the value recorded for the like period in 1925.

The number of buildings authorized by permit in these cities during June was 14.2 per cent less than in May and 15.5 per cent less than in June a year ago, while for the six-month period of this year the number of permits was 19 per cent less than that for the first six months of last year.

While the reports reflected a steady decrease in construction in these reporting cities since the post-war peak was reached in 1925, the number of new projects started this year and the total investments indicated a very large volume of building between January 1 and June 30, inclusive, even though falling short of the totals recorded for the first half-year period in 1924 and 1925. The reports in detail showed the amount of the building investments was larger in nine cities and smaller in nine cities than in the like period in 1925.

The number and value of building permits issued during June and the first half of the current year is shown in the appended table with percentages of increase or decrease over the like month and six months of the preceding year.

	Month of June			First Six Months		
	Permits	Value	Change	Permits	Value	Change
Casper.....	20	\$ 28,800	-8.2	112	\$ 166,114	32.4
Cheyenne.....	26	41,9025	-28.4	165	332,195	26.0
Colorado Springs....	79	40,090	-53.8	471	467,490	-24.9
Denver.....	540	1,037,600	-68.2	3,408	8,159,800	-44.5
Hutchinson.....	29	28,630	-39.7	227	414,418	17.7
Joplin.....	55	105,864	29.1	291	821,306	53.9
Kansas City, Kans.	237	240,795	-20.9	1,097	1,491,943	-27.6
Kansas City, Mo.....	463	2,259,510	-59.1	2,715	12,913,285	-42.7
Lincoln.....	96	347,538	-43.1	669	2,953,898	13.5
Muskogee.....	16	119,380	68.1	130	275,025	-49.5
Oklahoma City.....	144	1,486,595	282.5	988	4,759,630	37.6
Okmulgee.....	8	333,200	1006.1	53	473,431	277.1
Omaha.....	134	880,871	-53.7	951	5,708,753	-31.2
Pueblo.....	109	106,336	-62.6	553	709,423	-39.8
St. Joseph.....	92	102,785	1.8	402	531,397	-2.3
Topeka.....	129	328,855	12.1	716	2,194,720	29.5
Tulsa.....	206	633,510	-38.4	1,231	3,406,031	-33.6
Wichita.....	195	333,634	-31.9	1,134	2,202,971	0.8
Total this year.....	2,578	\$ 8,455,018	-42.1	15,313	\$ 47,981,830	-28.2
Total last year.....	3,051	14,607,979		18,912	66,806,349	

Farm Crops

The composite condition on July 1 of all crops in the seven states whose areas or parts form the Tenth Federal Reserve District was 95.4 per cent of the ten-year average condition on that date. This figure was 1.8 per cent higher than the composite condition figure for the entire United States. The composite figures for the seven states, with percentages of increase or decrease between June 1 and July 1, are shown in the following table, the basis (100 per cent) being the ten-year average condition:

	Condition July 1	Condition June 1	Change month
Colorado.....	103.3%	103.4%	-0.1%
Kansas.....	91.8	92.9	-1.1
Missouri.....	93.8	80.6	13.2
Nebraska.....	86.1	82.2	3.9
New Mexico.....	111.0	120.5	-9.5
Oklahoma.....	107.6	103.3	4.3
Wyoming.....	97.2	99.4	-2.2
Average Seven States.....	95.4%	91.3%	4.1%
Average United States.....	93.6	92.0	1.6%

Production of six leading crops—winter wheat, corn, oats, barley, potatoes and hay—forecast as of the July 1 condition is shown in the accompanying table, with final yields for last year for comparison.

Estimated yields of other important farm crops in Tenth District States, as of July 1, are compared with the final yields in 1925, in the following:

Spring Wheat—Colorado, Wyoming, Nebraska and New Mexico, 9,918,000 bushels, against 9,029,000 bushels. Increase 889,000 bushels.

Rye—Seven states, 5,245,000 bushels, against 5,031,000 bushels. Increase 214,000 bushels.

Grain Sorghums—Kansas, Nebraska, New Mexico and Oklahoma, 44,935,000 bushels, against 34,906,000 bushels. Increase 10,029,000 bushels.

Broom Corn—Five states, 39,772 tons against 19,630 tons. Increase 20,142 tons.

Sugar Beets—Colorado and Nebraska only, 3,169,000 tons, against 2,574,000 tons. Increase 595,000 tons.

Sweet Potatoes—Oklahoma only, 2,100,000 bushels, against 1,180,000 bushels. Increase 920,000 bushels.

Flax—Kansas and Nebraska, 310,000 bushels, against 360,000 bushels. Decrease 50,000 bushels.

Apples—Seven states, 11,056,000 bushels, against 14,204,000 bushels. Decrease 3,148,000 bushels.

Peaches—Six states, 2,911,000 bushels, against 2,830,000 bushels. Increase 81,000 bushels.

Pears—Six states, 1,282,000 bushels, against 1,237,000 bushels. Increase 45,000 bushels.

**COTTON:** Based on the condition of the growing crop and the number of acres in cultivation on July 16, indications pointed to another year of large cotton production in the United States, with the better prospects in the Southwest states whose combined acreages represent 63.4 per cent of the entire United States cotton area in cultivation on that date. Figures for each of the eight states lying west of the Mississippi river, and for the entire United States, compiled from the July report of the Crop Reporting Board of the United States Department of Agriculture, follow:

	Per cent of Normal Condition July 16		Acres in Cultivation June 25	
	1926	1925	1926	1925
Texas.....	73	64	18,948,000	19,139,000
Oklahoma.....	78	88	5,160,000	5,320,000
Arkansas.....	72	87	3,967,000	3,814,000
Louisiana.....	71	81	1,979,000	1,903,000
Missouri.....	79	90	488,000	542,000
Arizona.....	89	92	168,000	162,000
California.....	99	95	167,000	171,000
New Mexico.....	84	88	132,000	138,000
Eight S. W. States.....	73.9	72.8	31,009,000	31,189,000
United States.....	70.7	75.9	48,898,000	48,090,000

With a slight decrease in acreage and a lower condition reported on June 25, there were indications that the cotton crop in Oklahoma would fall slightly below the production of 1,690,948 bales in 1925. A considerable improvement in the condition of the crop since June 25 has been shown in weekly reports from the cotton growing sections of the district. Conditions for cotton in New Mexico improved slightly and there was also some improvement in the Missouri crop during June.

**GRAIN MOVEMENTS:** The movement of new wheat into market channels had an earlier start this season than usual. The movement from southern parts of the district, where per acre yields were much larger than expected, was well under way late in June and the month's receipts at primary markets in this district showed a very large increase over receipts for June 1925. By the middle of July, however, with the harvest about complete in southern parts of the wheat belt, and under full headway in the northern parts, receipts of new wheat at these markets assumed enormous proportions, surpassing previous high records, and the railroads were taxed to their utmost to supply cars for the movement of the crop. The following table shows receipts of six classes of grain at the five leading grain centers in the Tenth District for June and six months, both 1926 and 1925:

	Wheat	Corn	Oats	Rye	Barley	Kafir
Hutchinson.....	2,830,950	147,500	4,500	.....	1,250	157,300
Kansas City.....	4,625,100	1,847,500	282,200	12,100	3,000	468,600
Omaha.....	623,000	1,580,600	840,000	60,200	1,600	.....
St. Joseph.....	714,000	975,000	144,000	.....	.....	.....
Wichita.....	5,013,050	162,000	3,000	.....	2,400	144,000
June, 1926.....	13,806,100	4,712,600	1,273,700	72,300	8,250	769,900
May, 1926.....	4,085,450	4,113,900	650,000	78,500	46,500	385,700
June, 1925.....	9,832,500	3,776,000	2,036,400	41,900	54,500	644,100
Six mos. 1926 ..	37,809,150	28,999,500	6,518,500	501,000	252,650	2,760,300
Six mos. 1925 ..	38,490,200	27,203,950	11,677,500	309,400	391,500	4,234,000

### Flour Production

Southwestern mills, reporting weekly to the Northwestern Miller, were operated during June at 61.3 per cent of full-time capacity as compared with 55 per cent in May and 57.8 per cent in June, 1925. Production of flour in June exceeded that for May by 184,170 barrels or 11.3 per cent, and was larger than in June of the preceding year by 61,856 barrels, or 3.5 per cent.

During the first six months of 1926 the Southwestern reporting mills were operated at an average of 56.5 per cent of full-time capacity with a total output of 10,048,810 barrels, comparing with 56.9 per cent of full-time capacity with 10,339,614 barrels produced during the first six months of 1925.

Flour production at milling centers in this district in June and the first half of this year, with comparisons, is shown in the following:

	June 1926 Bbls.	May 1926 Bbls.	June 1925 Bbls.	6 Mos. '26 Bbls.	6 Mos. '25 Bbls.
Atchison.....	108,529	88,095	101,013	591,939	604,823
Kansas City.....	371,578	375,025	505,242	2,477,355	2,675,797
Omaha.....	83,391	94,096	71,349	427,769	481,749
Salina.....	108,913	115,054	102,218	627,299	661,861
St. Joseph.....	160,896	158,693	149,035	834,129	849,043
Wichita.....	149,971	133,475	143,962	775,339	827,028
Outside.....	834,523	669,193	683,126	4,314,980	4,239,313
Total.....	1,817,801	1,633,631	1,755,945	10,048,810	10,339,614

### Live Stock

The condition of cattle on the ranges in Colorado on July 1 was 100 per cent of normal, a gain of 2 points during June and 9 points above the condition reported July 1, 1925. In Wyoming the average condition on July 1 was 101 per cent, the same as a month earlier, and 1 point below a year ago. In Oklahoma the average condition on July 1 was 88 per cent of normal, a gain of 1 point during the month and 3 points better than a year earlier. The condition of cattle on the long grass pastures in Kansas and Nebraska also rose during June and on July 1 was higher than a year ago. Although in some sections there was lack of moisture during June, frequent and heavy rains in the first half of July placed ranges and pastures in good condition in all parts of the District, and there was further improvement of cattle. The calf crop was very large in all the range country, the reports said, and losses small.

Some reports said that not much better condition could prevail for sheep and lambs than those reported at this season. The lambing season was one of the best in history, many reports indicating that the lamb crop would average 100 per cent and better, with losses very light. Shearing was almost completed by July 1 and the wool clip was believed to be larger than that of last year. Sales of wool have been frequent recently, with some improvement in price. A good many of the earlier contracts were at from 32c to 34c per pound, but a few later ones advanced to 35c to 36c, with the average about 10c below that of 1925.

The mid-year pig survey of the United States Department of Agriculture held out little hope for any large increase in the market supply of hogs during the coming fall and winter. There was a small increase in the number of sows farrowing in the spring over the spring of 1925, but the average number of pigs saved per litter was smaller this year, with a resulting decrease in pigs saved. However, there was reported a large increase in the number of sows bred for fall farrowing this year over the number of sows farrowing in the fall of 1925.

**MARKET MOVEMENTS:** Receipts of all classes of live stock at the six leading Tenth District markets increased during June. The totals for the month of cattle, calves, hogs, horses and mules and number of cars was the largest since March. Receipts of sheep, while they exceeded the total for May, were lighter than for any month since January. The June returns, when compared with those for the corresponding month last year, showed increases in receipts of cattle, sheep,

horses and mules, and decreases in receipts of hogs and calves. The record of receipts at these six markets for the first half of 1926 was 10,351,249 head of live stock as compared with a combined total of 11,428,710 head of live stock received during the first six months of 1925, indicating a decrease for this year's six-month period of 1,077,461 head or 9.4 per cent.

An examination of the returns from past records shows that between January 1 and July 1, 1926, receipts of cattle were the smallest in number for any first half-year since 1921. Receipts of calves were the smallest since 1923 and of hogs the smallest of seven years record. Receipts of sheep showed a slight change during the half-year period as compared with the like period in previous years. The receipts in detail for the six market centers for June and the half-year period follow:

	Cattle	Calves	Hogs	Sheep	Horses Mules
Kansas City.....	145,730	25,475	260,824	152,196	765
Omaha.....	152,518	7,673	240,307	175,259	361
St. Joseph.....	41,327	8,148	140,330	85,033	294
Denver.....	22,780	3,725	34,222	78,928	2,074
Oklahoma City.....	19,537	5,239	19,742	1,115	461
Wichita.....	8,143	2,081	45,640	18,099	874
June, 1926.....	390,035	52,341	741,065	510,630	4,829
May, 1926.....	388,421	52,088	693,115	445,662	3,827
June, 1925.....	381,207	71,122	926,894	381,378	4,311
Six Months 1926.....	2,266,694	320,537	4,343,743	3,364,616	55,659
Six Months 1925.....	2,350,291	380,192	5,349,858	3,291,856	56,513

**STOCKER AND FEEDER MOVEMENTS:** Reports from the public stock yards at Kansas City, Omaha, St. Joseph and Denver showed small countryward movements of stock and feeding cattle and calves and large movements of sheep and hogs. Total shipments from the four markets for June and six months were:

	Cattle	Calves	Hogs	Sheep
Kansas City.....	28,129	2,943	14,933	24,747
Omaha.....	9,423	.....	1,631	29,216
St. Joseph.....	3,114	367	4,011	15,407
Denver.....	12,103	526	1,964	22,963
June, 1926.....	52,769	3,838	22,539	92,333
May, 1926.....	69,480	4,630	19,478	41,603
June, 1925.....	70,622	4,319	13,045	48,827
Six Months 1926.....	416,937	21,549	88,140	365,556
Six Months 1925.....	472,799	24,589	76,787	325,167

**Meat Packing**

Operations at the meat packing plants at the six leading centers, as measured by packers' purchases of livestock, were seasonally heavy. The month's slaughter of cattle was the largest since last December and was larger than in June of last year. The slaughter of sheep also exceeded that for May of this year and June of last year. The number of hogs slaughtered was the largest since January, though falling below that of last year's June total.

The records for the first half of the year showed increases in the number of cattle and sheep and decreases in the number of hogs and calves purchased for slaughter, as compared with purchases in the first half of 1925. The receipt were:

	Cattle	Calves	Hogs	Sheep
Kansas City.....	89,265	23,168	212,705	100,154
Omaha.....	104,203	6,482	191,522	136,615
St. Joseph.....	30,204	7,531	118,342	68,605
Denver.....	10,746	3,166	20,848	6,978
Oklahoma City.....	16,040	4,686	17,172	809
Wichita.....	6,236	1,493	43,047	5,420
June, 1926.....	256,694	46,526	603,636	318,581
May, 1926.....	234,609	45,382	537,669	315,249
June, 1925.....	239,416	61,048	655,924	280,088
Six Months 1926.....	1,391,489	275,443	3,234,748	2,124,610
Six Months 1925.....	1,349,065	306,480	4,020,017	1,959,576

**The Mineral Industries**

**PETROLEUM:** Production of crude oil in five states of the Tenth District was at a rate of 657,685 barrels per day during the first half of 1926, as compared with 666,016 barrels per day during the first six months of the preceding year. Gross production during six-month periods in the last three years was 119,041,000 barrels this year, 120,549,000 barrels in 1925, and 115,122,000 barrels in 1924. During June the average was 652,200 barrels per day, 25,183 barrels less per day than in May and 36,263 barrels less per day than in June, 1925. Gross production of crude oil in the five producing states during June and the first six months\* of 1926 and 1925 are shown in the following:

	*June, 1926 Barrels	June, 1925 Barrels	6 Months 1926 Barrels	6 Mos. 1925 Barrels
Oklahoma.....	13,772,000	14,629,000	84,275,000	87,809,000
Kansas.....	3,236,000	3,554,000	19,521,000	17,717,000
Wyoming.....	2,170,000	2,348,000	13,292,000	14,421,000
Colorado.....	255,000	54,000	1,213,000	379,000
New Mexico.....	133,000	69,000	740,000	223,000
Total.....	19,566,000	20,654,000	119,041,000	120,549,000

\*Estimated, American Petroleum Institute.

The record of field operations showed more new wells were completed in June and the first six months of this year than in the month and six months last year, though the number of barrels daily new production was smaller for both periods than last year. There was a small increase during the month in new development work under way but the number of wells drilling on July 1 showed a slight decrease from the number reported on July 1, 1925. The record of field operations:

	Wells Completed	Bls. Daily New Prod'n	Dry Wells	Gas Wells	Rigs-Wells Drilling
Oklahoma.....	490	67,845	142	40	1,447
Kansas.....	195	16,129	51	6	476
Wyoming.....	37	6,636	6	1	385
Colorado.....	13	690	6	3	115
New Mexico.....	12	195	7	0	145
June, 1926.....	747	91,495	212	50	2,568
May, 1926.....	655	83,772	211	43	2,522
June, 1925.....	714	101,578	211	40	2,581
6 Mos. 1926.....	4,119	552,751	1,275	334	.....
6 Mos. 1925.....	3,605	596,303	1,059	293	.....

The reports for Oklahoma and Kansas show 66 refineries were in operation on July 1, the same as a month earlier and 7 less than a year ago. Runs of crude oil to stills was 267,070 barrels per day on July 1, which was 9,055 barrels less than on June 1 and 28,030 barrels less than on July 1, 1925.

**BITUMINOUS COAL:** Recent weekly reports of the Department of Commerce reflected generally heavy production of soft coal for the summer season in the Tenth District and in the principal mining regions of the United States. The June total for the six producing states in this district was 13,000 tons larger than that for May and 15,000 tons larger than that for June, 1925, while production during the first six months of the year exceeded that for the like period last year by 702,000 tons or 5.6 per cent. Production figures follow:

	*June, 1926 Tons	June, 1925 Tons	6 Mos. 1926 Tons	6 Mos. 1925 Tons
Colorado.....	631,000	599,000	4,677,000	4,433,000
Kansas.....	263,000	245,000	1,961,000	1,837,000
Missouri.....	154,000	183,000	1,178,000	1,142,000
New Mexico.....	212,000	178,000	1,366,000	1,187,000
Oklahoma.....	141,000	165,000	1,042,000	1,047,000
Wyoming.....	367,000	383,000	3,050,000	2,926,000
Total.....	1,768,000	1,753,000	13,274,000	12,572,000

\*June estimated, United States Bureau of Mines.

**COLORADO METAL MINING:** Activity at the mines in Colorado, which has increased steadily in recent months, resulted in the heaviest production of ores during June reported for any month in several years. Increased production and activity was particularly noticeable at mines and mills in the Cripple Creek district during June. At the end of the month a report indicated an unusually large surplus of ore on track at the mills, with the result that a number of the larger companies were increasing development work and making little effort to push production. Final figures on production during the fiscal year ending June 30, by states, were not available for this issue of the Monthly Review. Unofficial reports, however, indicated gold production during the year closely approximated that for the preceding fiscal year, while there would be moderate increases in production of the baser metals.

**ZINC AND LEAD:** Production of zinc and lead ores at the mines in Missouri, Kansas and Oklahoma during the first half of 1926 very closely paralleled production during the first half of 1925. The tonnage of zinc ore sold and shipped during the current year to July 3 was larger by 6.6 per cent, and of lead ore shipped smaller by 3.1 per cent than the tonnage sold and shipped during the like period last year. An upward move-

ment in prices at the close of June, following the lower prices prevailing during the spring months, brought prices at the first week in July to the level of those prevailing at the corresponding date last year, stimulating activity in both production and shipments throughout the Tri-state field. Shipments of zinc and lead ores from the three producing states are here shown for the 4 weeks and 27 weeks ending July 3, 1926, with comprisons:

	ZINC		LEAD	
	Tons	Value	Tons	Value
Oklahoma.....	40,556	\$ 1,919,362	5,837	\$ 564,145
Kansas.....	15,902	741,197	2,106	204,210
Missouri.....	4,615	218,409	391	37,585
4 wks. ended July 3, 1926....	61,073	\$ 2,878,968	8,334	\$ 805,940
4 wks. ended June 5, 1926....	48,478	2,181,510	7,678	700,056
4 wks. ended July 4, 1925....	60,886	3,082,539	10,558	1,140,257
27 wks. ended July 3, 1926....	430,269	\$21,207,736	63,619	\$6,734,570
27 wks. ended July 4, 1925....	404,435	20,867,816	65,674	7,554,841

The average price of zinc ore during the first 26 weeks of 1926 was \$48.55 per ton compared with \$52.33 per ton for the corresponding period in 1925. The average price of lead ore was \$104.15 against \$113.35.

### Business Conditions in the United States

Industrial activity was at the same level in June as in May and was slightly above the level of a year ago. The average of commodity prices advanced further between May and June.

**PRODUCTION:** The Federal Reserve Board index of production in basic industries remained unchanged in June. Production of iron and steel and activity of woolen machinery continued to decline, and there were also reductions in the output of copper, zinc and petroleum, while cotton consumption, the manufacture of food products, and the output of coal and cement increased. Production of automobiles was smaller in June than in May and for the first time this year was less than in the corresponding month of 1925. Declines took place in June in employment and pay rolls of all textile industries, except woolen and worsted goods and mens clothing, and some of these industries were less active than at any time since 1924. Building contracts awarded during June were slightly less than in May, and for the first time since early in 1925 were smaller than in the corresponding month of the preceding year.

Crop reports issued by the department of agriculture indicated a slight improvement during June. The composite condition of all crops on July 1 was reported at 6.4 per cent below the average July condition during the last ten years. Production of winter wheat was estimated at 568,000,000 bushels or 172,000,000 more than in 1925, and that of spring wheat at 200,000,000 bushels or 71,000,000 less than last year. A production of 2,661,000,000 bushels of corn, or 8.3 per cent less than last year, is indicated in the same report. Cotton production, on the basis of July 16 condition was estimated at 15,368,000 bales, or 718,000 bales less than the production of last year.

**TRADE:** Total volume of wholesale and retail trade in June was larger than for the same month in 1925. Department store sales declined seasonally in June and wholesale trade in all leading lines, except groceries, also decreased during the month.

Sales of mail order houses increased more than usual in June and were 5 per cent larger than in June 1925. Stocks of merchandise carried by wholesale firms at the end of June were smaller than a year earlier. Department stores continued to reduce their stocks and their inventories, which had been con-

siderably above last year's level earlier in the year, were at the end of June only about 1 per cent larger than a year ago. Freight car loadings showed seasonal increases during June and continued through the first half of July at higher levels than in previous years. Loadings of grains in the Southwestern states have been particularly large.

**PRICES:** The general level of wholesale prices, according to the index of the Bureau of Labor Statistics, increased from May to June by less than half of one per cent. Prices of livestock and meats advanced, and there were small increases for silk, petroleum products, non-ferrous metals and chemicals and drugs. Price decreases occurred in grains, cotton, textiles, building materials and house furnishings. In the first two weeks of July prices of grains, flour, cotton, wool, and hides increased while those of cattle, hogs, silk, and rubber declined.

**BANK CREDIT:** Loans and investments of member banks in leading cities at the end of June were in larger volume than at any previous time, and after declining during the first half of July were still \$900,000,000 above the level of a year ago. Of this increase about \$385,000,000 was in loans on securities, \$340,000,000 in commercial loans, and \$175,000,000 in investments. Since the beginning of 1926 an increase in commercial loans, together with the growth of investments, has more than offset the reduction in loans on securities. The demand for credit at the end of the fiscal year and the increased currency requirements over the holiday were reflected in a growth of member banks borrowing at the reserve banks, and on July 7 total discounts were near the highest point of the year. With the return flow of currency from circulation after the holiday discounts declined and on July 21 were in about the same volume as in the last half of June.

The reserve banks' holding of acceptances and of United States securities changed little during the period, and the total volume of reserve bank credit outstanding in the third week of July was close to the June level. Money market conditions were firmer in July as indicated chiefly by increases in rates on call and time security loans. Rates on acceptances and on commercial paper were also slightly higher.