

# THE MONTHLY REVIEW

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

FEDERAL RESERVE BANK OF KANSAS CITY

M. L. McCLURE, Chairman and Federal Reserve Agent  
A. M. McADAMS, Assistant Federal Reserve Agent and Secretary  
P. W. MORGAN, Director of Research

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**I**NDUSTRY and trade in the Tenth District continued at a high rate of activity through August, showing less than the customary summer-time slackening, and September opened with a general volume of business on a higher plane than was witnessed in the opening month of the fall season of 1928. The aggregate of credit outstanding at reporting member banks, after reaching the highest peak of record early in August, declined in subsequent weeks, although the total at the first week of September was considerably higher than a year ago. Net demand deposits declined slightly, while time and savings deposits increased in recent weeks, and all classes of deposits were larger than a year ago. Payments by check at banks in thirty cities for five weeks ending September 4 were smaller by 11.8 percent than in the preceding five weeks, but were larger by 11.8 percent than for the corresponding five weeks in 1928.

The Department of Agriculture reports indicated crop prospects declined sharply between August 1 and September 1, as a result of the nearly nationwide drought. On the whole, farm production in this District was expected to be 10.3 percent below the average for the preceding ten years, large reductions in the production of corn and winter wheat accounting for most of the decrease.

Production in other industries of this District continued at a high level for the season. The output of flour, crude oil, coal, cement, and zinc and lead ores showed increases over July, and, save for small decreases in production of soft coal and lead, each of these branches of industry reported a larger output than a year ago. Meat packing operations declined during the month, in line with decreased supplies of livestock. The slaughter of cattle and sheep was slightly below the record for the same month last year, while the slaughter of hogs increased by 26.3 percent over a year ago.

Distribution of commodities, evidenced by carloadings of freight in August, was at the peak of the year for the railroads which serve this District. Carloadings of all groups of commodities showed increases over a year ago with the exception of livestock.

Distributive trade in leading wholesale and jobbing lines reflected heavy buying by retail merchants for fall trade, with the dollar volume of sales in five lines 1.5 percent below that for August a year ago. Retail trade at department stores exhibited more than the usual seasonal July to August increase, and sales for the month and eight months ran ahead of last year.

Building in leading cities took on increased activity during August, with the value of permits issued 21.3 percent higher than in August a year ago. Contracts awarded in the District

## BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT

Percentages of Increase, or Decrease (—), for August 1929 over July 1929 and August 1928

	August 1929 July 1929	August 1929 August 1928
<b>General Business and Banking</b> .....		
Bank debits, 30 cities.....	—11.8	11.8
Net demand deposits, 60 member banks.....	— 2.3	1.0
Time deposits, 60 member banks.....	1.1	3.2
Loans and discounts, 60 member banks.....	— 1.8	7.0
Investments, 60 member banks.....	2.7	— 3.0
Savings deposits, 51 banks.....	0.4	1.1
Savings accounts, 48 banks.....	0.6	6.1
Business failures.....	—26.9	2.2
Amount of liabilities.....	—11.9	75.8
<b>Trade</b> .....		
Retail sales, 36 department stores.....	20.3	2.3
Wholesalers sales, 5 lines combined.....	18.2	— 1.5
Drygoods.....	41.5	— 2.0
Groceries.....	9.7	—14.4
Hardware.....	— 3.4	4.5
Furniture.....	22.2	7.8
Drugs.....	3.5	10.5
Lumber sales, 179 retail yards.....	1.9	4.7
<b>Livestock Receipts, 6 markets</b> .....		
Cattle.....	— 0.3	—12.6
Calves.....	32.5	— 5.1
Hogs.....	—14.7	11.7
Sheep.....	36.8	— 5.4
Horses-Mules.....	61.1	34.3
<b>Grain Receipts, 5 markets</b> .....		
Wheat.....	—53.3	— 9.2
Corn.....	—29.3	—54.1
Oats.....	144.3	93.2
Rye.....	446.0	70.7
Barley.....	35.2	—46.0
Kafir.....	5.1	14.7
<b>Industrial Output</b> .....		
Flour.....	10.8	0.2
Crude oil.....	1.8	10.1
Coal.....	18.1	— 7.0
Cement.....	20.7	21.5
Zinc ore (shipments).....	7.8	21.1
Lead ore (shipments).....	15.9	— 4.8
<b>Meat Packing, 6 centers</b> .....		
Cattle.....	—11.8	— 0.8
Calves.....	13.1	— 1.6
Hogs.....	—16.2	26.3
Sheep.....	— 4.5	— 7.6
<b>Construction</b> .....		
Contracts awarded, Value.....	0.6	— 5.3
Building permits, 20 cities.....	1.8	— 2.1
Value of permits.....	15.0	21.3

as a whole reflected a large investment for the month, although not up to the amount of awards in August last year.

The department of Labor reports from over this District reflected more generally satisfactory employment conditions than had been witnessed in recent years.

## Payments By Check

Debits by banks to individual accounts in thirty clearing house cities, reported to the Federal Reserve Bank of Kansas City, totaled \$1,895,224,000 for the five weeks ending September 4. This was a decrease of \$253,700,000 or 11.8 percent from the high record total of \$2,148,924,000 reported for the preceding five weeks ending July 31. This decrease was mainly the result of the seasonal decline in August from the July peak movement of wheat, and reductions during the month in the marketing of all classes of livestock. The total of \$1,895,224,000 debited during the latest five week period, however, compares with \$1,695,188,000 for the corresponding period last year, indicating an increase of \$200,036,000 or 11.8 percent. The reports in detail show amounts debited in twenty-six of the reporting cities were larger and in four cities smaller than in the like period in 1928. The accumulated total of debits, or payments by check, for thirty-six weeks ending September 4 was \$13,470,192,000 against \$12,045,213,000 for the same period last year, an increase of \$1,424,979,000 or 11.8 percent.

### BANK DEBITS IN THIRTY TENTH DISTRICT CITIES

	FIVE WEEKS ENDING		Percent Change
	Sept. 4, 1929	Sept. 5, 1928	
Albuquerque, N. M.	\$ 13,896,000	\$ 13,016,000	6.8
Atchison, Kans.	7,726,000	7,604,000	1.6
Bartlesville, Okla.	22,813,000	16,602,000	37.4
Casper, Wyo.	17,966,000	8,026,000	- 0.7
Cheyenne, Wyo.	9,892,000	8,426,000	17.4
Colorado Springs, Colo.	20,718,000	18,433,000	12.4
Denver, Colo.	233,986,000	201,638,000	16.0
Enid, Okla.	26,564,000	22,241,000	19.4
Fremont, Nebr.	5,055,000	4,450,000	13.6
Grand Junction	4,335,000	3,683,000	17.7
Guthrie, Okla.	3,649,000	3,366,000	8.4
Hutchinson, Kans.	38,486,000	30,411,000	26.6
Independence, Kans.	15,289,000	14,479,000	5.6
Joplin, Mo.	16,187,000	14,613,000	10.8
Kansas City, Kans.	23,194,000	22,104,000	4.9
Kansas City, Mo.	564,171,000	499,908,000	12.9
Lawrence, Kans.	5,703,000	5,220,000	9.3
Lincoln, Nebr.	41,070,000	37,781,000	8.7
Muskogee, Okla.	12,665,000	11,073,000	14.4
Oklahoma City, Okla.	133,157,000	111,480,000	19.4
Okmulgee, Okla.	7,592,000	7,871,000	- 3.5
Omaha, Nebr.	276,991,000	260,656,000	6.3
Parsons, Kans.	3,611,000	3,881,000	- 7.0
Pittsburg, Kans.	6,776,000	6,014,000	12.7
Pueblo, Colo.	23,465,000	26,996,000	-13.1
Salina, Kans.	19,647,000	18,137,000	8.3
St. Joseph, Mo.	69,580,000	64,875,000	7.3
Topeka, Kans.	22,861,000	21,013,000	8.8
Tulsa, Okla.	171,321,000	148,222,000	15.6
Wichita, Kans.	86,858,000	82,969,000	4.7
Thirty cities, 5 weeks	\$ 1,895,224,000	\$ 1,695,188,000	11.8
Thirty cities, 36 weeks	13,470,192,000	12,045,213,000	11.8

## Banking and Credit

The volume of credit extended by sixty selected member banks which make weekly reports to the Federal Reserve Bank of Kansas City totaled \$715,538,000 at the close of business on August 7—the largest amount recorded at any weekly reporting date on records covering nearly nine years—but declined during subsequent weeks to \$704,040,000 on September 4. This latter total compares with \$680,864,000 for September 5, 1928, indicating an increase of \$23,176,000.

Total loans and discounts of \$468,455,000 on September 4, representing two-thirds of the volume of credit, showed a decrease of \$8,582,000 in five weeks, but an increase of \$30,518,000 over a year ago. Loans for commercial and agricultural purposes decreased by \$11,979,000 in five weeks but were \$44,182,000 higher than a year ago. Loans secured by stocks and bonds,

although showing an increase of \$3,397,000 in five weeks, were smaller by \$13,664,000 than a year ago.

Investments of \$235,585,000 on the first reporting date in September showed an increase of \$6,145,000 in five weeks but a decrease of \$7,342,000 from the total reported for the corresponding date last year.

Net demand deposits of \$504,471,000 on September 4 were \$11,687,000 less than on July 31, but \$5,036,000 greater than on September 5, 1928. Time deposits increased during the five-week period, and also for the year. Reserves of the reporting member banks with the Federal Reserve Bank showed increases over both periods.

Principal resource and liability items of the sixty reporting member banks, as of the dates mentioned in the following table, indicate the changes in five weeks and fifty-two weeks:

	Sept. 4, 1929	July 31, 1929	Sept. 5, 1928
Loans and investments-total	\$704,040,000	\$706,477,000	\$680,864,000
Loans and discounts-total	468,455,000	477,937,000	437,937,000
Secured by stocks and bonds	133,311,000	129,914,000	* 146,975,000
All other loans & discounts	335,144,000	347,123,000	* 290,962,000
Investments-total	235,585,000	229,440,000	242,927,000
U. S. Securities	111,406,000	106,955,000	116,225,000
Other bonds, stocks, securities	124,179,000	122,485,000	126,702,000
Reserve with F. R. Bank	60,932,000	58,828,000	56,891,000
Net demand deposits	504,471,000	516,158,000	499,435,000
Time deposits	183,531,000	181,464,000	177,782,000
Government deposits	223,000	1,738,000	2,207,000

\*Revised.

Borrowings of member banks at the Federal Reserve Bank of Kansas City, totaling \$43,861,598 at the first reporting date in September, were at the highest level since the third week in June, and \$19,014,144 above the total on the first report date in September of the preceding year. This bank's holdings of acceptances and United States securities increased in recent weeks, although amounts reported September 4 were relatively small as compared with its holdings at this time last year. The reports reflected increases in note circulation and in deposits, both for the five weeks and the year. The ratio of reserves to deposit and Federal Reserve note liabilities, combined, stood at 73.9 percent on September 4 as compared with 78.1 percent on July 31 and 67.7 percent on September 5, 1928. Important changes in the condition of the Federal Reserve Bank of Kansas City during five weeks and one year are indicated by a comparison of the three statements which follow:

	Sept. 4, 1929	July 31, 1929	Sept. 5, 1928
Gold reserves	\$125,451,448	\$126,875,235	\$ 98,677,859
Reserves other than gold	4,294,263	4,278,283	5,132,242
Total reserves	129,745,711	131,153,518	103,810,101
Bills discounted	43,861,598	36,445,955	24,847,454
Bills purchased	2,965,930	883,256	10,604,445
U. S. Securities	1,304,000		17,317,300
Total bills and securities	48,131,528	38,829,211	52,769,199
Total resources	228,632,302	218,961,965	208,458,130
F. R. Notes in circulation	79,572,030	74,295,480	60,768,365
Total deposits	95,837,832	93,612,503	92,414,580

**SAVINGS IN BANKS:** Deposits to savings accounts in fifty-one banks in cities of this District totaled \$128,198,136 on September 1, as compared with \$127,688,052 on August 1 and \$126,765,986 on September 1, 1928. These figures indicate increases of 0.4 percent for the month and 1.1 percent for the year. The number of savings accounts reported by forty-eight banks was 404,279 on September 1, against 402,019 on August 1 and 380,877 on September 1, 1928.

**GOVERNMENT FINANCING:** A new \$500,000,000 issue of Treasury Certificates of Indebtedness, dated September 16, 1929, to mature June 16, 1930, and to bear  $4\frac{1}{8}$  percent interest,

RETAIL TRADE AT 36 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT

	SALES		(RETAIL) STOCKS		STOCK TURNOVER				ACCOUNTS RECEIVABLE		COLLECTIONS		
	Stores August 1929	8 Months 1929	August 31, 1929	August 31, 1928	August	8 Months			August 31, 1929	August 31, 1928	August 1929	August 1928	
	Report- compared to ing August 1928	compared to 8 Months 1928	July 31, 1929	Aug. 31, 1928	1929	1928	1929	1928	July 31, 1929	Aug. 31, 1928	July 1929	Aug. 1928	
Kansas City.....	4	0.2	0.4	6.9	-1.3	.20	.20	1.70	1.72	-2.3	0.1	-8.4	3.1
Denver.....	5	1.1	2.1	10.1	-1.1	.22	.21	1.54	1.43	3.2	0.8	-11.9	1.2
Oklahoma City....	3	-4.7	8.4	20.5	2.1	.22	.23	2.02	1.92	-2.2	22.8	-12.0	9.0
Omaha.....	4	6.2	3.5	.....	.....	.....	.....	.....	.....	-5.6	17.7	.....	.....
Lincoln.....	2	-0.3	-2.0	4.1	1.0	.18	.19	1.54	1.64	0.6	11.9	-12.2	-1.1
Topeka.....	3	3.4	1.3	-7.3	-10.0	.22	.19	1.24	1.18	3.7	5.0	-8.0	-3.4
Tulsa.....	4	16.2	11.1	6.8	-1.2	.22	.20	1.90	2.03	6.0	28.9	-13.2	20.0
Other Cities.....	11	2.3	6.4	13.6	-5.4	.14	.13	1.23	1.19	-0.9	4.4	-15.3	5.0
Total.....	36	2.3	3.4	9.3	-2.5	.21	.20	1.66	1.60	0.3	8.4	-11.1	4.3

Note: Percentage of collections in August on accounts July 31, all stores reporting 39.0. Collections same month last year 39.0.

was subscribed through the twelve Federal Reserve Banks to the amount of \$1,486,492,000 in cash and exchanges of 3½ percent Treasury Notes and maturing Treasury Certificates of Indebtedness. Of the subscriptions the total allotted was \$549,707,500. The Tenth District participated with subscriptions of \$28,024,500 through the Fiscal Agency Department of the Federal Reserve Bank of Kansas City. Of these subscriptions \$18,629,000 were in cash, \$1,886,000 in exchanges of the 3½ percent Treasury Notes, and \$7,509,500 in Treasury Certificates of Indebtedness maturing September 15, 1929. The amount of subscription allotted for this District was \$17,320,500. The exchanges and cash subscriptions in amounts not exceeding \$1,000 were allotted in full. Cash subscription of \$1,000 to \$50,000 at 70 percent, and of \$50,000 to \$100,000 at 40 percent; Subscriptions of \$100,000 but not exceeding \$1,000,000 at 30 percent, and of \$1,000,000 and over 15 percent.

Business Failures

The month of August witnessed a very marked decrease in the number of business failures and the amount of liabilities in the Tenth District as compared with the totals reported for July. In comparison with the same month last year this year's August record shows an increase in both the number of failures and the amount of liabilities. Failures by Federal Reserve Districts, as reported by R. G. Dun & Company for the month of August in both years follow:

Districts	NUMBER		LIABILITIES	
	1929	1928	1929	1928
First, Boston.....	216	212	\$ 4,048,699	\$ 4,050,247
Second, New York.....	352	318	9,264,481	12,024,156
Third, Philadelphia.....	104	87	2,714,263	3,149,500
Fourth, Cleveland.....	117	156	2,021,837	4,231,357
Fifth, Richmond.....	122	114	2,453,641	2,546,548
Sixth, Atlanta.....	80	90	1,647,571	1,310,443
Seventh, Chicago.....	238	311	4,864,847	20,436,606
Eighth, St. Louis.....	103	99	1,393,363	4,765,633
Ninth, Minneapolis.....	40	46	203,100	404,105
TENTH, KANSAS CITY.....	95	93	1,609,201	915,515
Eleventh, Dallas.....	50	41	817,829	628,000
Twelfth, San Francisco.....	245	285	2,707,620	3,739,720
Total, United States.....	1,762	1,852	\$33,746,452	\$58,201,830

Trade

RETAIL: Sales at 36 department stores in cities of this District during the month of August were in the aggregate 20.3 percent larger than in July, 2.3 percent larger than in August last year, and for the first eight months of the year 3.4 percent larger than in the like period of the preceding year. Of the firms reporting their August sales, twenty showed increases and sixteen decreases as compared with August last year. Reports of single line retail stores showed August sales of shoes were markedly smaller than a year ago, while sales of furniture were slightly larger than a year ago.

Inventories on August 31 showed department store stocks increased 9.3 percent over July 31 but were smaller by 2.5 percent than on August 31, 1928. Stocks of shoes at the close of August were smaller than a year ago, while stocks of furniture were larger than a year ago, by less than 1 percent.

WHOLESALE: The combined August sales of reporting wholesale firms in five leading lines in this District was 18.2 percent larger than in July, reflecting seasonal activity in buying by retailers for their fall and winter trade. However, the August volume of wholesalers' sales was 1.5 percent below that for August last year.

By separate lines the reports showed August sales of drygoods, groceries, furniture and drugs were larger, while sales of hardware were smaller than in July. Compared with a year ago, this year's August sales of drygoods and groceries decreased, while sales of hardware, furniture and drugs increased.

Inventories at the close of August showed wholesalers' stocks of drygoods, hardware and furniture were reduced during the month, while stocks of groceries and drugs increased over July 31. Compared with a year ago, stocks of drygoods and groceries showed decreases and stocks of hardware, furniture, and drugs increases.

COLLECTIONS: Department stores reported their August collections amounted to 39 percent of open accounts as of July 31. This compares with 42 percent for July and 39 percent for August a year ago. Collections by wholesale firms during the month were reported as generally satisfactory, although it was pointed out that the extremely hot weather was not favorable to retail selling.

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

	Reporting Stores	SALES		OUTSTANDINGS		COLLECTIONS		STOCKS	
		Aug. 1929	compared with	Aug. 31, 1929	compared with	Aug. 1929	compared with	Aug. 31, 1929	compared with
		July 1929	Aug. 1928	July 31, 1929	Aug. 31, 1928	July 1929	Aug. 1928	July 31, 1929	Aug. 31, 1928
Dry Goods.....	8	41.5	-2.0	22.4	-5.6	-0.6	-4.2	-10.9	-14.9
Groceries.....	6	9.7	-14.4	3.8	-11.9	2.3	-5.9	10.6	-11.1
Hardware.....	9	-3.4	4.5	-0.4	12.7	1.0	4.0	-4.7	5.9
Furniture.....	5	22.2	7.8	-7.5	-6.4	-8.3	7.5	-2.0	21.4
Drugs.....	5	3.5	10.5	2.5	2.0	1.1	10.9	1.4	3.3

## Distribution

Loadings of revenue freight in the United States for the five weeks ending August 31 totaled 5,590,853 cars, against 5,348,407 cars for the like period one year ago and 5,367,206 cars for the like period two years ago. A total of 1,160,210 cars loaded in the week ending August 31 was the largest for any week thus far recorded. During the calendar year to the close of August 35,334,977 cars were loaded, as compared with 33,754,221 cars for the like period in 1928 and 34,802,007 cars in 1927. Carloading by classes from January 1 to August 31, thirty-five weeks, compared with the like periods of the two preceding years as follow:

	1929	1928	1927
Miscellaneous.....	13,680,292	12,982,146	12,988,614
Mdse. and L. C. L.....	8,881,392	8,827,921	8,931,071
Coal.....	5,923,045	5,540,456	6,247,124
Forest products.....	2,287,694	2,274,875	2,380,574
Grain.....	1,657,760	1,603,273	1,523,217
Ore.....	1,587,575	1,214,091	1,362,727
Livestock.....	887,517	956,914	981,048
Coke.....	429,702	354,545	387,632

During the eight months loadings of western roads, including the roads which serve the Tenth District, surpassed all previous eight-month's records. Carloadings of livestock was the only class to show a decrease as compared with the eight months last year.

## The Crops

The crop situation has been considerably changed by the widespread drought which affected nearly the whole country during August and caused crop prospects to decline nearly 5 percent during the month, according to the Bureau of Agricultural Economics of the United States Department of Agriculture in its latest report, issued September 10. Crop yields for the entire country are now expected to be 6 percent below the average during the preceding ten years, while for the seven states whose areas or parts form the Tenth District, crop yields are expected to be 10.3 percent below the average during the ten preceding years. The table which follows shows the condition of the crops in each of the seven states on September 1, 1929, as a percentage of the average September 1 condition of crops in that state during the ten years, 1918-1927, and also the percentage of change in each state between August 1 and September 1 of this year:

	Percentage of 10-Year Av.		Change in one Month
	September 1 1929	August 1 1929	
Colorado.....	87.5	89.1	— 1.6
Kansas.....	90.1	96.4	— 6.3
Missouri.....	84.5	91.8	— 7.3
Nebraska.....	95.6	106.2	— 10.6
New Mexico.....	109.6	107.7	1.9
Oklahoma.....	87.5	96.7	— 9.2
Wyoming.....	91.6	92.7	— 1.1
Seven States.....	89.7	97.0	— 7.3
United States.....	94.0	98.6	— 4.6

The national character of the drought, the Board pointed out, is illustrated by the fact that the condition of pastures on September 1 was below the ten-year average condition on that date in all states except New Mexico, Arizona, Utah and California, and the United States average of 67 was the lowest pasture condition recorded for September in fifteen years or more. The dry weather favored harvesting conditions but growing crops suffered in all states from Texas to North Dakota and from Virginia to Oregon.

## CROPS IN THE TENTH DISTRICT AND THE UNITED STATES

From the September report of the United States Department of Agriculture.

	TENTH DISTRICT		UNITED STATES	
	Sept. 1, 1929	Final 1928	Sept. 1, 1929	Final 1928
	Thousands of bushels			
Corn.....	376,157	520,235	2,455,997	2,835,678
Winter Wheat.....	248,963	320,240	568,233	578,133
Spring Wheat.....	13,167	14,716	217,493	324,058
Oats.....	150,405	158,774	1,204,987	1,448,677
Barley.....	48,968	47,752	304,143	356,667
Rye.....	5,690	5,635	41,028	41,676
Grain Sorghum.....	43,385	64,713	92,233	142,533
Dry Beans.....	3,181	2,717	17,254	16,621
White Potatoes.....	30,511	40,120	349,112	464,483
Sweet Potatoes.....	1,933	2,399	75,198	77,661
Flaxseed.....	381	292	16,388	18,690
Buckwheat.....	26	23	12,523	13,148
Apples.....	7,326	6,249	145,523	185,743
Peaches.....	2,874	1,435	44,374	68,374
Pears.....	1,129	495	20,056	24,012
	Thousands of Bales			
Cotton.....	1,265	1,147	14,825	14,478
	Thousands of Tons			
Tame Hay.....	11,881	12,381	93,600	92,983
Broom Corn.....	37	45	47	55
Sugar Beets.....	4,525	3,877	7,865	7,101
Grapes.....	12	13	2,032	2,671

The decline in prospects in the Tenth District during August was particularly severe in corn. The September 1 forecast of 376,157,000 bushels was 94,956,000 bushels less than the estimate of August 1 and 144,078,000 bushels less than total production in 1928. There also were declines during the month in the prospect for grain sorghums, white potatoes, sweet potatoes, tame hay, broom corn, apples, peaches and grapes. On the other hand the September estimate showed increases over August in yields of oats, barley, beans and cotton.

**COTTON:** A cotton crop of 14,825,000 bales for the United States is indicated by the condition of 55.4 percent of normal on September 1, according to the September cotton report of the United States Department of Agriculture. This figure represents a decline of 718,000 bales or 4.6 percent from the August report, but places this year's crop 347,000 bales or 2.4 percent higher than cotton production in 1928. The report for the eight states lying west of the Mississippi river shows better cotton prospects than last year in Oklahoma, Arkansas, Louisiana, Missouri, Arizona and California, with Texas showing a loss of approximately 1,000,000 bales and New Mexico a loss of 6,000 bales. The figures for September 1 as compared with one month earlier and the final for 1928, follow:

	Sept. 1, 1929 Bales	Aug. 1, 1929 Bales	Final 1928 Bales
Texas.....	4,107,000	4,798,000	5,106,000
Oklahoma.....	1,295,000	1,275,000	1,205,000
Arkansas.....	1,391,000	1,449,000	1,246,000
Louisiana.....	791,000	715,000	691,000
Missouri.....	190,000	174,000	147,000
New Mexico.....	82,000	91,000	88,000
Arizona.....	157,000	153,000	149,000
California.....	232,000	223,000	172,000
Eight S. W. States.....	8,245,000	8,878,000	8,804,000
Total United States.....	14,825,000	15,543,000	14,478,000

During August unusually hot, dry weather prevailed in most of the cotton belt from Georgia west. This amounted to severe drought in many sections, and while it checked weevil damage, it seriously interfered with the fruiting of the plants and reduced prospective yields. In Oklahoma the decline in condition dur-

THE CORN CROP IN TENTH DISTRICT STATES

	Sept. 1, 1929 Bushels	Aug. 1, 1929 Bushels	Yield 1928 Bushels
Colorado.....	17,598,000	16,537,000	18,694,000
Kansas.....	95,790,000	127,253,000	179,118,000
Missouri.....	117,751,000	139,667,000	181,540,000
Nebraska.....	192,254,000	240,633,000	212,701,000
New Mexico.....	4,516,000	4,335,000	3,482,000
Oklahoma.....	42,456,000	[54,754,000]	70,150,000
Wyoming.....	2,925,000	2,916,000	3,006,000
Seven States.....	473,290,000	586,095,000	668,691,000
Tenth District.....	376,157,000	471,113,000	520,235,000
United States.....	2,455,997,000	2,740,514,000	2,835,678,000

ing August was somewhat greater than average but the weevil threat is now materially less than a month earlier.

**FALL SOWING OF WINTER WHEAT:** Reports received by the United States Department of Agriculture from about 20,000 farmers, reporting for their own farms as of August 15, show intentions to sow an acreage of winter wheat in the United States this fall 1.2 percent larger than that sown last fall. However, the intended acreage in the seven states whose areas or parts form the Tenth District is about 1.1 percent smaller than that sown last fall. The reports on the intended acreage for this year, as compared with the acreage sown in the two preceding years, are here shown for the seven states, with totals for the Tenth District and for the United States:

	Intended Acreage 1929	Sown Acreage 1928	Sown Acreage 1927
Colorado.....	1,568,000	1,307,000	1,538,000
Kansas.....	12,084,000	12,084,000	12,296,000
Missouri.....	1,713,000	2,015,000	2,190,000
Nebraska.....	3,496,000	3,567,000	3,880,000
New Mexico.....	329,000	329,000	273,000
Oklahoma.....	4,328,000	4,508,000	4,745,000
Wyoming.....	84,000	67,000	69,000
Seven States.....	23,602,000	23,877,000	24,991,000
District 10.....	22,185,000	22,234,000	23,242,000
United States.....	43,271,000	42,744,000	47,303,000

Grain Movements

Following the annual rush of new wheat to the markets in July, there was a marked recession in the marketward movement in August. Receipts at the five leading grain centers of this District during the month were 53.3 percent less than in July and 9.2 percent less than in August last year. Receipts of corn also declined both as compared with July of this year and August of last year. Receipts of other grain were heavier than in July and exceeded those of a year ago for all other classes except barley, which showed a perceptible decrease. Receipts in detail at five markets follow:

	Wheat Bushels	Corn Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Kafir Bushels
Hutchinson.....	5,606,550	15,000	1,500	.....	75,000	44,200
Kansas City.....	12,658,360	601,200	734,000	34,500	628,800	195,800
Omaha.....	13,811,200	1,234,800	1,578,000	649,600	488,000	.....
St. Joseph.....	2,844,000	775,500	98,000	.....	42,000	.....
Wichita.....	4,562,600	53,300	18,000	.....	58,500	1,300
August, 1929.....	39,482,710	2,679,800	2,429,500	684,100	1,292,300	241,300
July, 1929.....	84,500,770	3,789,450	994,500	125,300	955,850	229,500
August, 1928.....	43,462,670	5,836,450	1,257,500	400,700	2,392,550	97,500

Flour Production

Southwestern mills which report their production statistics to the Northwestern Miller made 2,456,600 barrels of flour in August, 240,413 barrels more than in July and 5,947 barrels

more than in August last year. This was the second largest August flour production of record, the output for the month having been exceeded only in August 1926 when 2,777,299 barrels of flour were made. The output at the leading milling centers:

	August 1929 Barrels	July 1929 Barrels	August 1928 Barrels
Atchison.....	138,587	115,820	143,297
Kansas City.....	750,416	667,693	699,578
Omaha.....	114,657	90,762	113,335
Salina.....	204,735	159,281	166,187
St. Joseph.....	114,143	142,483	138,428
Wichita.....	154,655	185,400	177,138
Outside.....	979,407	854,748	1,012,690
Total.....	2,456,600	2,216,187	2,450,653

Millers over this District reported at the end of the month flour buyers were displaying a spirit of indifference and new business was slow. Shipping directions on orders previously booked were described as "only fair," although sufficient to enable mills to maintain fair running schedules. The chief interest in export was in trading with the United Kingdom markets which continued to buy encouragingly, in small lots.

Livestock

Unusually light receipts of cattle, unusually heavy receipts of hogs, and lower and irregular prices of meat animals, featured the livestock situation in this District during the month of August.

Cattle receipts of 364,212 at six reporting markets for the month were 1,041 less than in July, 52,344 less than in August last year, and the lightest receipts for any August on records dating back to the beginning of 1919. This small August total brought the number of cattle received during the first eight months of 1929 to 2,727,456, which was 227,437 less than the receipts for the first eight months of 1928. Calves received during the month totaled 70,819, an increase of 17,360 over July, but 3,780 less than in August of last year, and also the smallest August total on records for eleven years. Receipts for the eight months were 412,314, a decrease of 21,051 from the total for the like period in the preceding year.

Marketings of 706,496 sheep and lambs during the month were 189,960 above those for July, but 39,928 less than in August 1928. Receipts for the eight months of the year were 5,235,256, an increase of 169,596 over the like period in 1928.

Hog receipts of 759,979—which included 97,120 hogs received at packers' yards in Kansas City—were 130,726 less than in July but 79,789 more than August a year ago. Receipts of hogs during the eight-months period were 7,708,200, or 16,740 more than were received in the first eight months of last year.

Arrivals of horses and mules at the six markets during the month were 8,611 head, compared with 5,343 for July and 6,412 for August a year ago. This year's eight months receipts of horses and mules were 85,963, against 81,378 received during the first eight months of the preceding year.

The seasonal movement of livestock from the markets to the country for fall and winter feeding, and for stock purposes, made a fair start in August. Reports from four public stock yards showed shipments of 102,230 stocker and feeder cattle to the country during August. While this total exceeded that for July by a little more than 75 percent, it was smaller than that for August of last year by 24 percent. The countryward movement stock and feeding sheep from the four markets was 289,315 in August, an increase of 200 percent over the preceding month but 1.7 percent less than the number shipped to the country in

AUGUST LIVE STOCK MOVEMENT IN THE TENTH DISTRICT

	RECEIPTS				STOCKERS AND FEEDERS				PACKER'S PURCHASES			
	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep
Kansas City.....	160,411	34,362	295,809	142,520	57,416	6,529	5,875	39,494	71,106	19,648	198,043	91,709
Omaha.....	99,518	5,654	214,739	334,578	26,158	1,302	1,632	194,376	59,979	4,352	148,122	134,342
St. Joseph.....	40,513	8,007	135,432	136,477	11,899	1,606	2,241	39,784	24,600	5,859	100,414	94,613
Denver.....	20,057	3,434	32,147	84,762	6,757	971	921	15,661	9,390	2,175	25,135	17,274
Oklahoma City.....	25,033	13,899	28,799	1,994	-----	-----	-----	-----	17,115	11,033	23,077	1,408
Wichita.....	18,680	5,463	53,053	6,165	-----	-----	-----	-----	6,368	1,896	50,314	4,369
August, 1929.....	364,212	70,819	759,979	706,496	102,230	10,408	10,669	289,315	188,558	44,963	545,105	343,715
July, 1929.....	365,253	53,459	890,705	516,536	58,332	5,266	10,289	96,383	213,679	39,750	650,803	359,932
August, 1928.....	416,556	74,599	680,190	746,424	134,572	11,150	12,581	294,442	190,113	45,681	431,743	372,188
8 Months 1929.....	2,727,456	412,314	7,708,200	5,235,256	557,318	61,630	137,899	919,449	1,517,319	291,498	5,895,585	3,117,409
8 Months 1928.....	2,954,893	433,365	7,691,460	5,065,660	651,746	66,700	126,661	825,972	1,573,040	313,579	5,997,634	2,987,275

\*Includes 97,120 hogs shipped direct to packer's yards. \*\*Revised.

August a year ago. Reports to the middle of September indicated a liberal movement of cattle to the country, although it was apparent fewer cattle were going to the corn belt for feeding purposes than last year.

Meat Packing

Activity of meat packing plants located at the six principal livestock markets of this District declined during August, due for the major part to reduced supplies of meat animals. The slaughter of 188,558 cattle during the month was the smallest for August on records covering the past eleven years, the slaughter of 44,963 calves the smallest for August since 1921, and the slaughter of 343,715 sheep and lambs the smallest for August since 1925. The number of hogs killed during August, totaling 545,105, was the smallest monthly slaughter since last September, although it exceeded the slaughter for August of last year by 113,362 head.

The summary of the reports for the first eight months of the current year shows fewer cattle, calves and hogs were driven to the killing beds in packing plants than in the first eight months of 1928. However, sheep and lambs killed and dressed in this year's eight months period exceeded by 6.5 percent those for the like period in the preceding year.

The number of animals slaughtered under Federal supervision at all packing centers in the United States during August and the first eight months of this year, compared with the like periods of last year, follow:

	August 1929	August 1928	Percent Change
Cattle.....	725,714	716,567	1.2
Calves.....	337,969	368,799	- 8.3
Sheep.....	1,298,048	1,196,112	8.5
Hogs.....	3,129,991	2,545,335	22.9
	Eight Mos. 1929	Eight Mos. 1928	Percent Change
Cattle.....	5,342,840	5,472,924	- 2.3
Calves.....	3,020,849	3,204,218	- 5.7
Sheep.....	9,090,972	8,529,839	6.5
Hogs.....	31,902,210	33,336,812	- 4.2

Zinc and Lead

The production and shipment of zinc ore in the Tristate District increased in August to the highest level reported since last April and considerably higher than at the corresponding period last year. The production and shipment of lead ore also increased substantially during August but was not quite up to that of a year ago. Zinc ore prices were unchanged during the month. Prime western grades on August 31 sold at \$44 per ton for the twenty-third consecutive week, as compared with \$40 per ton a year ago. Lead ore prices, which for eight weeks had averaged \$85 per ton, continued unchanged during the week ending August 31, comparing with the average of \$82.50 for the same week

last year. Tonnage and value of zinc and lead ores shipped during the four weeks ending August 31 are here compared with the figures for the preceding four weeks in the corresponding four weeks last year:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	33,746	\$ 1,484,824	3,513	\$ 298,805
Kansas.....	17,024	749,056	1,913	162,605
Missouri.....	877	38,588	149	12,665
4 Wks. ending Aug. 31, 1929.....	51,647	\$ 2,272,468	5,575	\$ 474,075
4 Wks. ending Aug. 31, 1928.....	47,893	2,107,292	4,807	409,862
4 Wks. ending Sept. 1, 1928.....	42,639	1,705,560	5,856	468,480
35 Wks. ending Aug. 31, 1929.....	436,831	18,641,047	69,659	6,393,786
35 Wks. ending Sept. 1, 1928.....	396,544	15,264,357	60,528	4,858,939

Petroleum

Further increase in the production of crude oil in all fields of the Tenth District is indicated by the August returns of the American Petroleum Institute, which show a daily average of 952,500 barrels for the thirty-one day month as compared with 935,900 barrels for July and 865,100 barrels for August of last year. Gross production of 29,527,000 barrels for the month was 513,000 barrels above the July total and 2,706,000 barrels above the total for the corresponding month last year. Production figures by states follow:

DAILY AVERAGE PRODUCTION

	*Aug. 1929 Barrels	July 1929 Barrels	Aug. 1928 Barrels
Oklahoma.....	751,600	731,700	691,000
Kansas.....	132,100	139,600	102,500
Wyoming.....	58,600	54,200	61,200
Colorado.....	7,300	6,900	7,700
New Mexico.....	2,900	3,500	2,700
Total.....	952,500	935,900	865,100

GROSS PRODUCTION

	*Aug. 1929 Barrels	July 1929 Barrels	Aug. 1928 Barrels
Oklahoma.....	23,301,000	22,682,000	21,420,000
Kansas.....	4,094,000	4,329,000	3,180,000
Wyoming.....	1,818,000	1,681,000	1,897,000
Colorado.....	225,000	215,000	240,000
New Mexico.....	89,000	107,000	84,000
Total.....	29,527,000	29,014,000	26,821,000

\*Estimated, American Petroleum Institute.

A move to curtail the production of crude oil in Oklahoma was launched on September 11 when an order was issued by the Corporation Commission of that state which specified that all producing wells in the Oklahoma City field "shall be shut-in and off production for a period of thirty days, with the exception of those wells which are now producing 5 percent of water or more." This order, issued upon recommendations by the oper-

ators, to the end that "the state's crude production shall not exceed the current demand for it."

A summary of August field operations shows the number of barrels daily new production of crude oil brought in from wells completed was markedly smaller than for the preceding month or for the same month last year. However, the reports of new work under way indicated more wells were drilling at the end of August than a month earlier or one year earlier. Field summary follows:

	Wells Completed	Barrels Daily New Production	Dry Wells	Gas Wells	Rigs-Wells Drilling
Oklahoma.....	293	65,205	109	30	949
Kansas.....	107	14,626	41	5	365
Wyoming.....	15	3,126	6	0	190
Colorado.....	6	252	1	0	92
New Mexico.....	9	780	6	2	106
August, 1929.....	430	83,989	163	37	1,702
July, 1929.....	488	153,195	182	51	1,684
August, 1928.....	382	123,380	123	40	1,617
8 Months 1929.....	3,283	823,265	1,236	281	-----
8 Months 1928.....	3,564	616,315	1,299	464	-----

Oklahoma and Kansas reported 59 refineries were operating on September 1 with daily runs of 313,300 barrels of crude oil to their stills. This was an increase of 10,150 barrels over August 1 when the same number of plants were operating, but a decrease of 5,820 barrels as compared with September 1, 1928, when 58 refineries were operating.

### Bituminous Coal

Operations at soft coal mines in the various fields of the Tenth District increased in August and total production for the month was larger by 307,000 tons than in July and the largest monthly production since last March. Compared with a year ago this year's August production showed a decrease of 152,000 tons. The production figures by states follow:

	*Aug. 1929 Tons	July 1929 Tons	Aug. 1928 Tons
Colorado.....	616,000	496,000	762,000
Kansas.....	220,000	177,000	119,000
Missouri.....	232,000	230,000	275,000
New Mexico.....	218,000	210,000	243,000
Oklahoma.....	228,000	200,000	247,000
Wyoming.....	493,000	387,000	513,000
Total.....	2,007,000	1,700,000	2,159,000

\*Estimated.

During the eight months of 1929 a total of 17,159,000 tons was produced in this District against 16,787,000 tons the same period last year. United States production of soft coal during the calendar year to August 31 was 337,729,000 tons, as compared with 310,965,000 tons for the like period in 1928.

### Lumber

Comparative statements of identical mills reporting to the National Lumber Manufacturers Association indicated actual production of lumber in the closing week of August showed a small increase in thousands of board feet over the corresponding week in 1928. Lumber shipments and orders received were below production for the week and were smaller than a year ago. Cumulative production of identical mills covering sixteen weeks ending August 31 was smaller by three-tenths of 1 percent than for the corresponding sixteen weeks in 1928, while shipments and orders received were respectively 7.8 percent and 9.8 per-

cent smaller than in the like period of last year. Reports for the week and sixteen weeks are here shown:

	WEEK ENDING		16 WEEKS ENDING	
	Aug. 31, '29 M. Ft.	Sept. 1, '28 M. Ft.	Aug. 31, '29 M. Ft.	Sept. 1, '28 M. Ft.
Production				
Softwoods.....	271,987	271,335	4,227,114	4,315,447
Hardwoods.....	44,445	37,935	706,860	635,953
Total.....	316,432	309,270	4,933,974	4,951,400
Shipments				
Softwoods.....	256,898	299,697	4,096,422	4,518,935
Hardwoods.....	41,450	39,647	685,630	669,496
Total.....	298,348	339,344	4,782,052	5,188,431
Orders				
Softwoods.....	255,861	271,696	3,895,881	4,349,257
Hardwoods.....	45,820	40,237	674,484	667,450
Total.....	301,681	311,933	4,570,365	5,016,707

Lumber carloadings during the calendar year to August 31, reported by the American Railway Association, totaled 991,987 cars and 19,893,263 M. feet, as compared with 977,627 cars or 19,628,195 M. feet for the like period last year. These figures indicate an increase for this year of 1.5 percent in lumber carloadings as compared with last year.

RETAIL LUMBER TRADE: Sales of lumber at 179 retail yards in the Tenth District totaled 6,429,000 board feet for the month of August, as compared with 6,310,000 feet in July and 6,141,000 feet in August of last year. Sales in dollars of all materials at the reporting yards in August were larger than in either the preceding month or the corresponding month in 1928. Stocks of lumber at the end of August were reported as 45,457,000 feet, against 46,611,000 feet one month earlier and 45,326,000 one year ago. Percentage of increase or decrease (—) for August over the preceding month and the corresponding month last year follow:

	Aug. 1929 July 1929	Compared to Aug. 1928
Sales of lumber, board feet.....	1.9	4.7
Sales of all materials, dollars.....	6.2	2.4
Stocks of lumber, board feet.....	— 2.5	0.3
Outstandings end of month.....	1.0	— 8.7
Collections during month.....	— 8.5	11.2

### Cement

The Portland cement industry in the Tenth District reported the volume of its business in August was the heaviest for a month of record. Production of 1,787,000 barrels in August was 20.6 percent above that of the preceding month and 21.4 percent above that for the corresponding month last year. Shipments of 2,141,000 barrels were 27.5 percent larger than in July and 27.7 percent larger than a year ago. Stocks of finished cement at mills in this District were reduced to 1,444,000 barrels at the close of the month and were smaller than either one month or one year earlier. Comparative reports of mills in this District and in the United States on production, shipments and stocks on hand follow:

	Aug. 1929 Barrels	July 1929 Barrels	Aug. 1928 Barrels
Tenth District.....			
Production.....	1,787,000	1,481,000	1,471,000
Shipments.....	2,141,000	1,681,000	1,676,000
Stocks, month end.....	1,444,000	1,798,000	1,604,000
United States			
Production.....	18,594,000	17,281,000	18,759,000
Shipments.....	23,019,000	20,295,000	21,970,000
Stocks, month end.....	20,101,000	24,525,000	19,374,000

## Building

Building permits issued in August at twenty cities which report to the Federal Reserve Bank of Kansas City were for a total value of \$9,777,355, an increase of 15 percent over the \$8,500,471 reported for July, and an increase of 21.3 percent over the \$8,057,520 reported for August 1928. This estimated expenditure in building projects started in August was the largest reported for that month in any year since 1926.

A summary of the reports of the twenty cities covering the eight months of the current year, now passed, shows 19,309 permits were issued for buildings estimated to cost \$72,359,028. In comparison with the record for the first eight months of 1928, the foregoing totals show a decrease of 1,161 permits but an increase of \$5,438,453 or 8.1 percent in value of permits.

Building contracts awarded in the Tenth District during August totaled \$24,801,697, as reported by the F. W. Dodge Corporation. This was an increase of six-tenths of 1 percent over the \$24,659,361 awarded in July, but a decrease of 5.3 percent from the \$26,176,758 awarded in August of last year. The accumulated total of contracts awarded in the first eight months of 1929 was \$166,831,386, which was 6.9 percent less than the \$179,194,409 of contracts awarded in the same period last year.

## AUGUST BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST		Percent Change
	1929	1928	1929	1928	
Albuquerque, N. M.....	79	89	\$ 297,942	\$ 112,382	165.1
Casper, Wyo.....	11	2	94,600	350	26,928.6
Cheyenne, Wyo.....	25	38	156,150	82,140	90.1
Colorado Springs, Colo....	42	54	260,925	84,465	208.9
Denver, Colo.....	550	626	762,550	1,357,650	-43.8
Hutchinson, Kans.....	52	39	178,710	193,350	-7.6
Joplin, Mo.....	27	40	57,610	118,574	-51.4
Kansas City, Kans.....	94	97	186,225	141,155	31.9
Kansas City, Mo.....	251	241	2,620,400	844,475	210.3
Lincoln, Nebr.....	94	97	248,195	155,505	59.6
Muskogee, Okla.....	20	32	90,140	51,035	76.6
Oklahoma City, Okla....	296	269	2,105,500	1,256,477	67.6
Omaha, Nebr.....	107	123	425,860	940,145	-54.7
Pueblo, Colo.....	89	107	45,605	146,420	-68.9
Salina, Kans.....	26	22	72,130	34,220	110.8
St. Joseph, Mo.....	74	50	312,750	68,300	357.9
Shawnee, Okla.....	45	32	152,460	53,180	186.7
Topeka, Kans.....	87	101	115,625	134,530	-14.1
Tulsa, Okla.....	295	315	1,026,127	1,032,187	-0.6
Wichita, Kans.....	291	235	567,851	1,250,980	-54.6
Total 20 cities, Aug.....	2,555	2,609	\$ 9,777,355	\$ 8,057,520	21.3
Total 20 cities, 8 Mos.....	19,309	20,470	72,359,028	66,920,575	8.1

## National Summary of Business Conditions

Production in basic industries increased somewhat in August as compared with July, but the increase was less than is usual at this season, with the consequences that the Board's index of industrial production, which makes allowance for usual seasonal changes, showed a decline. Wholesale prices declined slightly. Credit extended by member banks increased between the middle of August and the middle of September, reflecting chiefly a growth in commercial loans.

**PRODUCTION:** During the month of August there was a reduction in the output of iron and steel and copper, and a slight decline in the production of automobiles. Meat packing establishments were also somewhat less active during the month, while seasonal increases were reported in the production of textiles and shoes, coal and cement, flour and sugar, and petroleum output continued to expand. A slight increase in the number of workers employed in factories was accompanied by a substantial increase in payrolls. This increase was especially notable in industries manufacturing products for Autumn retail trade, such as clothing and furniture. For the first two weeks of September reports indicate further decline in steel operations, reduction in lumber output resulting in part from the Labor Day holiday, and a continual rise in coal production.

In the construction industry contracts awarded in August were 25 percent less than in July, reflecting a sharp decline in the residential group as well as in contracts for public works and utilities which were unusually large in July. As compared with last year contracts were 5 percent lower in August, but in the first two weeks of September they were in approximately the same volume as in 1928.

The September report of the department of agriculture indicates a corn crop of 2,456,000,000 bushels, 13 percent less than in 1928 and 11 percent under the five year average. The estimated wheat crop of 786,000,000 bushels is substantially below last year, but only slightly less than the five year average. Cotton production, estimated on August 1 at 15,543,000 bales, is now expected to total 14,825,000 bales, slightly above last year.

**DISTRIBUTION:** Freight car loadings increased seasonally

in August, as a consequence of larger shipments of all classes of freight except grains, which moved in smaller volume than in July, when shipments of wheat were unusually large. In comparison with 1928 total car loadings showed an increase of 5 percent.

Sales of department stores in leading cities were larger than in July and about 5 percent above the total of August 1928.

**PRICES:** Wholesale prices showed a slight downward movement in August, according to the index of the United States bureau of labor statistics. This reflected chiefly declines in the prices of farm products, especially grains and flour, and livestock and meats. Woolens and worsteds also decreased in price, while silk and rayon materials were higher. There was a decline in prices of iron and steel and automobiles, and a further decrease in prices of petroleum and its products, especially gasoline. Coal prices advanced during the month.

In the middle of September the prices of grains, beef, raw sugar, silk, and coal were higher than at the end of August, while prices of hogs, pork, and cotton were somewhat lower.

**BANK CREDIT:** Between the middle of August and the middle of September there was a further rapid increase in loans for commercial and agricultural purposes at member banks in leading cities. Security loans also increased, while investments continued to decline. During the first half of September the volume of reserve bank credit outstanding was about \$120,000,000 larger than in the middle of the year. The increase was for the most part in the reserve bank's acceptance holdings and reflected chiefly growth in the demand for currency, partly seasonal in character. Discounts for member banks, following the increase over the holiday period early in September, declined at the time of the treasury financial operations around the middle of the month, and on September 18 were at a lower level than at any time since last June.

Open market rates on prime commercial paper increased from a range of 6 to 6¼ percent to a prevailing level of 6¼ percent during the first week in September, while acceptance rates remained unchanged.