

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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BUSINESS conditions in the Tenth District continued quiet during August and crop conditions were not as favorable September 1 as one month earlier. Sales at retail increased over July by less than the customary seasonal proportions and, contrary to the usual trend, wholesale trade declined.

Unfavorable weather reduced corn prospects in the District during August and this year's crop is now estimated by the Government, on the basis of September 1 conditions, as 5,020,000 bushels short of last year's production, whereas, August 1 indications were for a crop of 31,050,000 bushels greater than was harvested in 1930. Other unharvested crops suffered from the hot, dry weather in August and the first half of September.

There was an unusually heavy movement of cattle to market in August as compared to July and to August, 1930, due to the seasonal movement of grass cattle to market, higher fed cattle prices, and a shortage of range feed. The movement of stocker and feeder livestock to the corn belt for feeding purposes was also unusually heavy for August.

Receipts of wheat at primary markets declined by more than the average seasonal amount in August as compared to July, but were slightly larger than last August. Receipts of all other classes of grain were substantially smaller than in July this year or August, 1930.

Flour production was seasonally larger in August than in July, but the increase over that month was less than is usual. Restriction and proration by state authorities reduced crude oil production approximately one-third as compared to the preceding month or the corresponding month last year. Bituminous coal production was the smallest for that month on twelve years' records.

Building operations in the principal cities expanded slightly as compared to July, but were substantially smaller than in the like month of all preceding years since 1920.

Banking and Credit

The combined statements of fifty-four reporting member banks in leading cities of the Tenth District reflect slight decreases in the four weeks between August 12 and September 9 in loans and discounts, investments, and time deposits, and an 0.2 percent increase in net demand deposits.

These same banks reported their loans and discounts, net demand deposits, and time deposits as of September 9 were 18.6, 11.3, and 4.3 percent, respectively, smaller than on September 10, 1930. Total investments increased 14 percent during the year.

RESERVE BANK OPERATIONS: The weekly condition statement of the Federal Reserve Bank of Kansas City and branches as of September 9 showed the total of bills redis-

BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT
Percentages of Increase, or Decrease (—), for August 1931 over July 1931, and August 1930, and for the first eight months of 1931 over the like period in 1930.

	August 1931 Compared to July 1931	August 1930	8 Mos. 1931 Compared to 8 Mos. 1930
Banking			
Payments by check, 29 cities.....	— 9.6	—24.7	—22.4
Federal Reserve Bank clearings.....	— 8.3	—17.3	—17.3
Business failures, number.....	14.0	23.2	— 2.6
Business failures, liabilities.....	26.2	—42.1	— 8.1
Loans, 54 member banks.....	— 1.6	—18.6	.....
Investments, 54 member banks.....	— 1.2	14.0	.....
Net demand deposits, 54 member banks	0.2	—11.3	.....
Time deposits, 54 member banks.....	— 0.9	— 4.3	.....
Savings deposits, 51 selected banks.....	— 2.5	2.1	.....
Savings accounts, 48 selected banks.....	— 1.9	0.1	.....
Life insurance, written.....	— 5.5	—13.2	—15.9
Distribution			
Wholesalers' sales, 5 lines combined.....	— 1.2	—23.6	—18.7
Retailers' sales, 35 department stores.....	12.7	—17.1	— 8.8
Lumber sales, 172 retail yards.....	—12.4	—23.0	—25.1
Construction			
Building contracts awarded, value.....	—31.1	—73.6	—49.9
Building permits in 18 cities, value.....	19.9	1.9	—33.0
Production			
Flour.....	0.1	— 7.7	— 8.7
Crude petroleum.....	—29.8	—34.5	—13.1
Soft coal.....	20.1	—10.4	—13.3
Zinc ore (shipped) Tristate District.....	27.7	—48.8	—38.9
Lead ore (shipped) Tristate District.....	13.4	— 6.2	—39.0
Cement.....	— 3.1	—28.1	—23.8
Grain receipts, 5 markets			
Wheat.....	—55.4	10.1	32.9
Corn.....	— 8.0	—40.2	—19.3
Oats.....	— 7.8	—50.8	—42.0
Rye.....	—38.4	—98.7	—68.1
Barley.....	92.8	—82.5	—66.2
Kafir.....	—13.3	— 7.7	—47.9
Livestock receipts, 6 markets			
Cattle.....	35.8	33.7	0.7
Calves.....	62.6	—15.2	—15.0
Hogs.....	— 7.5	0.8	— 9.5
Sheep.....	61.8	27.8	6.6
Horses and mules.....	44.0	9.9	—34.0
Meat packing, 6 cities			
Cattle.....	13.1	11.7	— 2.6
Calves.....	25.5	—22.7	—12.0
Hogs.....	— 8.2	4.6	— 5.3
Sheep.....	21.1	9.0	— 6.6
Stocker and feeder shipments, 4 markets			
Cattle.....	160.3	69.9	— 3.1
Calves.....	95.1	43.2	—14.0
Hogs.....	64.4	84.1	—23.7
Sheep.....	224.3	68.4	38.7

counted for member banks was 0.7 percent less than on August 12, but \$3,480,663 or 40.9 percent greater than on September 10, 1930. Gold reserves increased 6.9 percent in four weeks but

declined 8.5 percent in fifty-two weeks. There was no change in the bank's holdings of United States Government securities in the four weeks, but total holdings as of September 9 were 36 percent greater than a year ago. Federal reserve note circulation increased 8 percent in four weeks, but was slightly smaller than on the corresponding date in 1930.

Principal resource and liability items of the fifty-four reporting banks and of the Federal Reserve Bank of Kansas City, as of three dates, follow:

	REPORTING MEMBER BANKS		
	Sept. 9, 1931	Aug. 12, 1931	Sept. 10, 1930
Loans and investments—total.....	\$617,075,000	\$626,021,000	\$663,185,000
Loans and discounts—total.....	347,533,000	353,342,000	426,824,000
Secured by stocks and bonds.....	96,752,000	98,895,000	133,405,000
All other loans and discounts.....	250,781,000	254,447,000	293,419,000
Investments—total.....	269,542,000	272,679,000	236,361,000
U. S. securities.....	120,566,000	122,017,000	99,850,000
Other bonds, stks. and sec.....	148,976,000	150,662,000	136,511,000
Reserve with F. R. bank.....	55,569,000	51,482,000	56,084,000
Net demand deposits.....	432,786,000	432,130,000	487,880,000
Time deposits.....	200,427,000	202,276,000	209,394,000
Government deposits.....	.....	986,000	.....

	FEDERAL RESERVE BANK		
	Sept. 9, 1931	Aug. 12, 1931	Sept. 10, 1930
Gold reserves.....	\$ 97,928,262	\$ 91,639,269	\$107,007,100
Reserves other than gold.....	7,041,774	7,265,619	5,658,061
Total reserves.....	104,970,036	98,904,888	112,665,161
Bills discounted.....	11,990,512	12,073,105	8,509,849
Bills purchased.....	7,293,644	3,702,330	12,160,277
U. S. securities.....	39,077,000	39,077,000	28,736,000
Total bills and securities.....	58,921,156	55,632,435	49,406,126
Total resources.....	196,368,877	187,371,281	203,511,123
F. R. notes in circulation.....	69,162,740	64,067,240	69,347,480
Total deposits.....	90,457,437	86,380,483	89,842,789

The discount rate of the Federal Reserve Bank of Kansas City, on all classes of paper and all maturities, remained unchanged at 3 percent.

SAVINGS: Deposits to savings accounts in fifty-one selected banks in leading cities of this District declined 2.5 percent between August 1 and September 1, but on the latter date were 2.1 percent larger than on September 1, 1930. The number of savings accounts in forty-eight banks, as of September 1, was 1.9 percent less than one month earlier, but 0.1 percent larger than on the corresponding date last year. The totals follow:

	Savings Accounts	Savings Deposits
	48 Banks	51 Banks
September 1, 1931.....	429,533	\$132,611,932
August 1, 1931.....	437,920	136,074,822
September 1, 1930.....	429,270	129,842,712

RESERVE BANK CLEARINGS: Check collections through the Federal Reserve Bank of Kansas City and branches in August were 8.0 percent smaller, as to the number of items handled, and 8.3 percent smaller in the aggregate amount than during July. Compared to August, 1930, there was a decrease of 7.1 percent in the number of items and 17.3 percent in the dollar amount. The clearings totals:

	ITEMS		AMOUNT	
	1931	1930	1931	1930
August.....	5,069,163	5,459,143	\$ 682,896,000	\$ 825,760,000
July.....	5,510,202	5,987,125	744,991,000	919,390,000
Eight months.....	43,617,256	46,346,952	5,788,490,000	6,999,927,000

PAYMENTS BY CHECK: Debits by banks to individual accounts, reported from twenty-nine cities in this District for the four weeks ended September 2, decreased 9.6 percent as compared to the preceding four weeks ended August 5, and were 24.7 percent smaller than in the corresponding four weeks ended September 3, 1930. Every city but one reported a decrease as compared to last year, with those cities located in the oil producing area reporting the largest and those in the western part of the District the smallest percentage decrease.

Cumulative figures for the thirty-five weeks of the current year to September 2 show a decrease in payments by check, for the District, of 22.4 percent as compared to the like period last year, as against 26.2 percent reported for the United States.

PAYMENTS BY CHECK

	FOUR WEEKS ENDED		Percent Change
	Sept. 2, 1931	Sept. 3, 1930	
Albuquerque, N. M.....	\$ 9,237,000	\$ 10,649,000	-13.3
Atchison, Kans.....	3,170,000	5,241,000	-39.5
Bartlesville, Okla.....	14,646,000	25,350,000	-42.2
Casper, Wyo.....	5,200,000	5,484,000	-5.2
Cheyenne, Wyo.....	5,508,000	5,563,000	-1.0
Colorado Springs, Colo.....	12,987,000	17,240,000	-24.7
Denver, Colo.....	127,141,000	151,469,000	-16.1
Enid, Okla.....	10,644,000	19,079,000	-44.2
Fremont, Nebr.....	2,770,000	2,718,000	1.9
Grand Junction, Colo.....	2,390,000	2,555,000	-6.5
Guthrie, Okla.....	1,634,000	2,500,000	-34.6
Hutchinson, Kans.....	16,184,000	17,525,000	-7.7
Independence, Kans.....	4,322,000	7,759,000	-44.3
Joplin, Mo.....	5,939,000	8,398,000	-29.3
Kansas City, Kans.....	12,369,000	16,879,000	-26.7
Kansas City, Mo.....	278,793,000	365,489,000	-23.7
Lawrence, Kans.....	3,076,000	3,590,000	-14.3
Lincoln, Nebr.....	25,395,000	26,948,000	-5.8
Muskogee, Okla.....	6,063,000	8,340,000	-27.3
Oklahoma City, Okla.....	64,865,000	98,007,000	-33.8
Okmulgee, Okla.....	2,387,000	3,769,000	-36.7
Omaha, Nebr.....	153,580,000	188,449,000	-18.5
Pittsburg, Kans.....	3,621,000	4,097,000	-11.6
Pueblo, Colo.....	15,551,000	15,823,000	-1.7
Salina, Kans.....	8,311,000	12,220,000	-32.0
St. Joseph, Mo.....	29,878,000	41,767,000	-28.5
Topeka, Kans.....	13,419,000	16,564,000	-19.0
Tulsa, Okla.....	72,225,000	127,667,000	-43.4
Wichita, Kans.....	38,969,000	51,624,000	-24.5
Total 29 cities, 4 weeks.....	\$ 950,274,000	\$ 1,262,763,000	-24.7
Total 29 cities, 35 weeks.....	9,240,398,000	11,902,175,000	-22.4
United States, 4 weeks.....	32,953,299,000	42,186,108,000	-21.9
United States, 35 weeks.....	366,345,958,000	496,351,659,000	-26.2

Business Failures

Commercial failures in the Tenth District, reported by R. G. Dun and Company, were more numerous in August than in any month since March or any August since 1925. The amount of liabilities involved in August failures was as usual larger than in July, and, with the exception of August, 1930, was the largest reported for any like month since 1926. The record of failures and liabilities:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
August 1931.....	122	\$ 1,706,046	1,944	\$ 53,025,132
July 1931.....	107	1,351,878	1,983	60,997,853
August 1930.....	99	2,944,200	1,913	49,180,653
Eight months 1931.....	956	16,666,243	19,034	484,520,354
Eight months 1930.....	982	18,144,363	17,712	426,096,113

Life Insurance

The Life Insurance Research Bureau reported total sales of new paid-for ordinary life insurance in the seven states of this District as smaller in August than in any preceding month since January, 1927, or any August since 1924. Every state in the District reported their sales in August of this year as smaller than in August, 1930, with a combined total decrease of 13.2 percent.

Trade

RETAIL: With the approach of the new school year there was a seasonal upturn in retail trade as measured by the dollar sales of thirty-five department stores located in sixteen principal cities of the Tenth District. The increase of 12.7 percent over July was slightly smaller than last year and somewhat smaller than is usual for the season. August and the cumulative sales

RETAIL TRADE AT 35 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		COLLECTIONS		
	Aug. 1931	8 Mos. 1931	Aug. 31, 1931	Aug. 31, 1930	Aug. 8 Months				Aug. 31, 1931 compared to		Aug. 1931 compared to		
	Aug. 1930	8 Mos. 1930	July 31, 1931	Aug. 31, 1930	1931	1930	1931	1930	July 31, 1931	Aug. 31, 1930	July 1931	Aug. 1930	
Kansas City.....	4	-12.4	-6.4	9.9	-10.5	.18	.18	1.68	1.57	-4.2	-1.7	-10.4	-1.2
Denver.....	5	-15.7	-7.2	3.4	-10.9	.24	.26	1.80	1.73	-2.1	-0.7	-13.5	-7.0
Oklahoma City.....	3	-25.4	-15.9	6.8	-11.3	.20	.25	1.88	2.12	-7.2	-12.0	-28.9	-20.2
Lincoln.....	2	-15.2	-1.9	8.4	-13.8	.21	.21	2.02	1.74	-1.7	0.4	-22.2	-6.5
Topeka.....	3	-13.5	-8.2	-4.5	-17.0	.21	.21	1.52	1.37	-3.4	-7.2	-21.2	-1.9
Tulsa.....	3	-25.4	-13.6	4.4	-17.9	.22	.24	2.50	2.31	1.3	-5.7	-17.6	-22.5
Wichita.....	3	-16.0	-8.8	13.0	-14.6	.20	.20	1.78	1.54	-13.2	-13.2	-26.6	-14.9
Other Cities.....	12	-18.2	-9.5	15.0	-0.9	.18	.21	1.75	1.78	-3.0	2.5	-17.3	-10.2
Total.....	35	-17.1	-8.8	7.7	-10.3	.20	.22	1.80	1.75	-1.4	-3.1	-17.9	-9.8

NOTE: Percentage of collections in August on accounts July 31, all stores reporting 32.9. Collections same month last year 35.5.

for the eight months of the current year were 17.1 and 8.8 percent, respectively, less than for the corresponding month and eight months of last year. Stocks as of August 31, though 10.3 percent below the same date last year, had increased 7.7 percent as compared to July 31.

Collections in August averaged 32.9 percent of accounts outstanding July 31, compared to 35.5 percent of outstanding receivables collected in August, 1930.

WHOLESALE: Contrary to the usual seasonal trend, wholesale trade, as reflected by the combined dollar sales of five reporting lines, declined slightly during August. Wholesalers of drygoods and furniture reported their August sales as 38.3 and 11.6 percent, respectively, above their July sales, but wholesalers of groceries, hardware, and drugs reported their sales as 13.1, 12.9, and 7.7 percent, respectively, smaller than in the preceding month. All lines reported sales in August this year as substantially smaller than in the like month last year. Groceries was the only line to report larger stocks on hand August 31 than one month or one year earlier, and also the only line to report increased collections during the month as compared to the preceding month or the corresponding month in 1930.

Lumber

Sales of lumber at 172 retail yards in this District during August were, contrary to the usual seasonal trend, 12.4 percent smaller than in July and 23 percent smaller than in August, 1930. Total sales in board feet for the eight months this year were 25.1 percent smaller than in the corresponding eight months last year.

Stocks on hand August 31 were slightly smaller than one month earlier and 11 percent smaller than on August 31, 1930.

The percentages of decrease in August business of the reporting retail yards, as compared to July this year and August of last year, are shown in the following:

	August 1931	Compared to
	July 1931	August 1930
Sales of lumber, board feet.....	-12.4	-23.0
Sales of all materials, dollars.....	-6.3	-32.4
Stocks of lumber, board feet.....	-0.8	-11.0
Outstandings, end of month.....	-1.6	-23.2
Collections during month.....	-9.5	-26.4

Cement

The United States Bureau of Mines, Department of Commerce, reports the production of Portland cement at mills in this District in August as 3.1 percent less than in July, and 28.1 percent less than in August, 1930. Shipments exceeded production and were slightly larger in August than in the preceding month, but 20.6 percent smaller than in the corresponding month last year. Stocks were again reduced and on August 31 were the lowest since October 31, 1930, and 3.3 percent smaller than on August 31 of that year.

Production, shipments, and month-end stocks of Portland cement in the Tenth District and the United States are shown in the following table in thousands of barrels:

	TENTH DISTRICT			UNITED STATES		
	Prod'n	Shipments	Stocks	Prod'n	Shipments	Stocks
Aug. 1931.....	1,196	1,353	2,075	13,549	15,172	24,311
July 1931.....	1,234	1,331	2,233	13,899	15,545	25,934
Aug. 1930.....	1,663	1,704	2,146	17,821	20,299	23,824

Building

Official reports from eighteen cities in this District as to the number and value of permits issued during August this year disclosed a slight increase in both items as compared to July. There were fewer permits issued in August than in any August of record, and although the estimated cost of construction was 1.9 percent greater than in August, 1930, it was, with that exception, the smallest reported for any August since 1920.

The value of building contracts awarded in this District, as a whole, in August was reported by the F. W. Dodge Corporation at \$8,312,198, the smallest for any month since May, 1926, and was 31.1 percent less than in the preceding month and 73.6 percent less than in August last year. Residential construction increased 12.8 percent as compared to July and 16 percent as compared to August, 1930.

The total value of all building contracts awarded in the District in August, with comparisons, as reported by the F. W. Dodge Corporation:

	TENTH DISTRICT		UNITED STATES	
	1931	1930	1931	1930
August.....	\$ 8,312,198	\$ 31,454,577	\$ 233,106,100	\$ 347,318,300
July.....	12,060,054	19,180,779	285,997,300	367,528,400
8 Months.....	110,825,622	221,300,145	2,327,330,200	3,354,235,000

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Reporting Stores	SALES		OUTSTANDINGS		COLLECTIONS		STOCKS		
	Aug. 1931 compared to July 1931	Aug. 1930	Aug. 31, 1931 compared to July 31, 1931	Aug. 31, 1930	Aug. 1931 compared to July 1931	Aug. 1930	Aug. 31, 1931 compared to July 31, 1931	Aug. 31, 1930	
Dry Goods.....	6	38.3	-23.0	8.1	-14.8	-11.8	-18.2	-3.5	-17.5
Groceries.....	5	-13.1	-15.5	-0.7	-0.1	2.3	5.4	8.7	22.7
Hardware.....	9	-12.9	-28.6	-2.3	-11.1	-16.4	-29.6	-3.8	-16.4
Furniture.....	6	11.6	-38.0	-3.8	-34.5	-8.3	-35.2	Even	-32.2
Drugs.....	5	-7.7	-26.0	-0.6	-11.3	-10.1	-24.5	-2.7	-17.2

BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1931	1930	1931	1930
Albuquerque, N. M.....	54	94	\$ 52,909	\$ 132,034
Cheyenne, Wyo.....	50	30	110,936	21,631
Colorado Springs, Colo...	28	43	14,835	25,915
Denver, Colo.....	436	506	766,200	544,400
Hutchinson, Kans.....	30	39	14,705	43,545
Joplin, Mo.....	18	19	113,250	43,150
Kansas City, Kans.....	70	33	43,180	20,493
Kansas City, Mo.....	195	130	575,200	323,000
Lincoln, Nebr.....	70	57	566,315	159,147
Oklahoma City, Okla.....	151	254	1,030,866	2,010,400
Omaha, Nebr.....	86	69	291,090	499,660
Pueblo, Colo.....	73	74	32,435	28,923
Salina, Kans.....	16	27	20,020	78,400
Shawnee, Okla.....	6	12	5,000	9,030
St. Joseph, Mo.....	41	41	50,255	21,185
Topeka, Kans.....	40	66	169,233	120,845
Tulsa, Okla.....	66	121	444,863	431,859
Wichita, Kans.....	104	134	524,552	222,838
Total 18 cities, August...	1,534	1,749	\$ 4,825,844	\$ 4,736,455
Total 18 cities, 8 mos....	12,670	15,426	37,110,892	55,354,137

Crops

Crop conditions of the seven Tenth District states combined were not, in general, as promising on September 1 as one month earlier. Prospects improved somewhat in the eastern third of the District during August, but drouth and lack of irrigation water, particularly in the western half of the District, affected crops adversely.

Between August 1 and September 1 corn, oats, spring wheat, barley, broom corn, and white potato crop prospects for this District declined, and those of grain sorghums, tame and wild hay, cotton, sweet potatoes, and all of the major varieties of fruit except pears increased, according to estimates of official Federal and state crop reporting boards. This year's production of winter wheat, corn, grain sorghums, cotton, and all varieties of fruit will be larger, but that of all varieties of hay, spring wheat, barley, beans, broomcorn, sugar beets, and white potatoes will be smaller than last year.

The state crop reporting boards summarized the September 1 crop conditions in their respective states, in part, as follows:

COLORADO: "Crop prospects on September 1 were the lowest of record as a result of hot weather, extreme shortage of irrigation water, and insect damage. Corn prospects were reduced during the month 37.5 percent, potatoes and beans 25 percent, and oats and barley 17.5 percent, with the hay crop the shortest since 1922, pasture conditions the lowest of record, and the smallest potato crop since 1916 indicated."

KANSAS: "The Kansas corn crop more than held its own from a grain yield standpoint during August although the reported condition in percent of normal declined from 66 percent on August 1 to 59 percent on September 1. The average yield for the state is indicated as 19 bushels per acre. Yields above average are expected in northeastern Kansas and also in the southeastern border counties. Grain yield prospects are very poor in central and southcentral areas. The crop in northcentral Kansas and the western third of the state is fair to poor, with yield possibilities average or less. Most of the crop in the southern half of the state is beyond danger of frost damage while some corn in the two northern tiers of counties would suffer some injury if frosts are early. Weather since September 1 has been favorable for bringing corn to rapid maturity. The condition of pasture at 69 percent is below average but higher than last year. Alfalfa, other tame hays, wild hay, and broom corn yielded somewhat higher than expected a month ago. Grain sorghums, oats, barley, winter wheat, and flax are unchanged. All fruit crops are above last month's estimate. Apple production is the largest since 1924."

MISSOURI: "Missouri farm crops are showing generally higher yields in 1931 than in 1930, corn more than twice as much. Wheat and oats are considerably higher, and hay crops are much better than last year, with fruits the best for several years. Most all of the southwestern counties have an excellent corn crop, some of the best since 1917. Southeast counties have a good crop, although early drouth reduced yield. The central counties improved during August, but the northern section lost in prospect during August because of drouth. Corn is maturing fast and should be well out of way of frost by the latter part of September. Hay crops are heavier than last year, including practically all varieties."

NEBRASKA: "The condition of the corn crop slumped from 71 percent a month ago to 49 percent on September 1. The crop is unusually spotted and uneven throughout the entire state. Corn north of the Platte river suffered the greatest injury and northeastern Nebraska has one of the poorest crops ever produced, with yields ranging from a failure to a few bushels per acre. Counties south of the Platte river fared better, but owing to the spotted condition and the fact that a number of the counties have corn ranging from poor to practically no corn at all, this territory as a unit will not have an average crop. Counties along the Missouri river and the two southern tiers of counties, while spotted, may be rated as having a good crop of corn taken as a whole. The poor yields of potatoes in southern and eastern Nebraska offset the improvement to the commercial crop in western Nebraska and the high yields in the Kearney district. The commercial apple crop in southeastern Nebraska is one of the best in years."

NEW MEXICO: "Corn, beans, sorghums, and cotton doing well; cutting corn becoming general and cotton bolls opening slowly. Threshing small grains in north; some seeding in east."

OKLAHOMA: "Deficient moisture and high temperatures during August, with hot winds prevailing the latter part of the month, caused a rapid deterioration of crops in all sections with the exception of the eastern third of the state where climatic conditions have been more favorable to plant growth. Extremely high temperatures since the first of September have been very unfavorable for the growth of corn, grain sorghums, cotton, and hay."

WYOMING: "Wyoming crop production has been reduced by summer drouth and shortage of irrigation water. The production of the leading crops is much below last year and generally below the average of the past five years. Occasional showers during August prevented further reduction in crop yields and crops are generally in about the same condition as a month ago. The production of feed crops is generally short and not sufficient for livestock needs in northeastern Wyoming and a few other sections."

The unusually hot and dry weather the first half of September caused additional injury to pastures and ranges, reduced crop prospects, and delayed fall plowing. Cotton picking, bean pulling, corn cutting, fall plowing, and winter wheat seeding had begun, or was fairly well advanced, by the third week in September.

CORN: September 1 conditions promised a 1931 corn crop for this District of 422,078,000 bushels, 36,079,000 bushels less than was indicated one month earlier, and 5,029,000 bushels less than was produced last year. In Nebraska, Colorado, and Wyoming this year's crop will be considerably smaller than last year or the five year average, whereas, these states produced a crop somewhat above the five year average last year. Missouri, the second, and Kansas, the third, largest corn producing states of the District will have a much better crop this year than last, that of Missouri being over twice as large.

The estimated production of corn in each of the seven states, the Tenth District, and the United States as of September 1 in thousands of bushels, with comparisons:

	Estimated Sept. 1, 1931	Estimated Aug. 1, 1931	1930 Production	5 Yr. Aver. 1925-1929
Colorado.....	14,138	22,620	41,234	18,551
Kansas.....	126,027	119,394	82,908	126,793
Missouri.....	174,734	165,537	73,935	170,204
Nebraska.....	186,776	232,208	247,106	223,580
New Mexico.....	6,248	5,680	3,612	3,544
Oklahoma.....	54,968	45,544	36,436	56,605
Wyoming.....	2,724	2,724	3,696	3,261
Seven states.....	565,615	593,707	488,927	602,538
Tenth District.....	422,078	458,157	427,107	463,428
United States.....	2,715,357	2,775,301	2,093,552	2,760,753

COTTON: A cotton crop of 1,280,000 bales is estimated for this District as compared to 860,000 bales produced in 1930. Dry weather and hot winds in western Oklahoma the latter part of August caused plants to wilt, small bolls and squares to shed, and bolls to open prematurely. Boll weevils increased rapidly and boll worms caused much damage in some localities in the eastern part of the state. New Mexico reported bolls opening slowly. Cotton picking had begun in northern Oklahoma and southern Missouri, and was well advanced in southern Oklahoma and New Mexico by September 21.

Estimates of this year's cotton production follow:

	Condition			Production (500 lb. Bales)		
	Percent of Normal			Estimated Ginnings		
	Sept. 1 1931	Aug. 1 1931	Sept. 1 1930	Sept. 1 1931	Aug. 1 1931	Sept. 1 1930
Oklahoma.....	68	78	42	1,254,000	1,200,000	854,000
Missouri.....	85	86	42	239,000	231,000	151,000
New Mexico...	91	90	82	95,000	86,000	99,000
Three states....				1,588,000	1,517,000	1,104,000
United States. 68	74.9	53.2		15,685,000	15,584,000	13,932,000

FRUITS AND VEGETABLES: Peach and grape harvest was practically completed in the southern half of the District by September 21 and apple and pear harvest had begun. Hot winds the forepart of September caused the earlier fall varieties of apples to ripen prematurely and drop, resulting in a heavy loss to producers as the fruit had to be marketed immediately. Jonathans were affected the most and private estimates place the drop of this variety at 50 to 75 percent of the crop.

Reports indicate that home canning of fruits and vegetables, prices of which have been unusually low, has been more extensive this year than in many years.

WINTER WHEAT SEEDING: A reduction of 12 percent in winter wheat seedings in the United States this fall, is indicated by the United States Department of Agriculture's report on farmers' seeding intentions as of August 5. According to the report, this is the smallest acreage intended since intentions were first determined in 1923, and, if fully carried out, would mean the smallest acreage sown in any fall since 1914. Seeding in this District was retarded somewhat the latter part of August and the forepart of September by dry soil. This year's intentions as compared with the intentions and actual seedings in 1930 in this District and the United States:

WINTER WHEAT SEEDING INTENTIONS

	1931		1930	
	Acres Intended	Percent of 1930 sown	Acres Intended	Acres Sown
Colorado.....	992,000	77	1,288,000	1,288,000
Kansas.....	10,890,000	85	12,051,000	12,812,000
Missouri.....	1,253,000	90	1,205,000	1,392,000
Nebraska.....	2,693,000	80	3,310,000	3,366,000
New Mexico.....	196,000	75	404,000	261,000
Oklahoma.....	3,798,000	89	3,909,000	4,267,000
Wyoming.....	230,000	125	131,000	184,000
Seven states....	20,052,000		22,640,000	23,570,000
United States....	37,344,000	88	41,532,000	42,422,000

Changes in Farm Ownership

There were fewer voluntary sales and trades of farms in each of the seven states of this District and in the United States in the twelve months' period ended March 15, 1931, than in the preceding twelve months. All states but two, Missouri and Colorado, reported a larger number of forced sales due to delinquent taxes or foreclosures during the year than in the preceding year. New Mexico was the only state to report a larger ratio of voluntary than involuntary sales.

The number of farms per 1,000 changing ownership by various methods, as reported by the Bureau of Agricultural Economics, United States Department of Agriculture, are shown in the following:

	Voluntary sales and trades		FORCED SALES AND RELATED DEFAULTS					
	1931	1930	Delinquent taxes		Foreclosures, etc.		Total	
			1931	1930	1931	1930	1931	1930
Colorado.....	24.5	39.5	5.9	9.4	20.3	18.8	26.2	28.2
Kansas.....	22.1	26.0	3.4	2.6	20.0	14.8	23.4	17.4
Missouri.....	21.8	26.1	4.2	5.4	23.7	24.6	27.9	30.0
Nebraska.....	20.2	27.8	2.6	1.1	21.8	15.9	24.4	17.0
New Mexico.....	34.4	44.2	3.9	4.1	22.3	12.4	26.2	16.5
Oklahoma.....	15.3	22.9	9.8	3.4	22.4	18.2	32.2	21.6
Wyoming.....	29.0	42.3	10.4	13.1	20.1	17.3	30.5	30.4
United States....	19.0	23.7	7.4	5.1	18.7	15.7	26.1	20.8

CROPS IN THE SEVEN TENTH DISTRICT STATES AND THE UNITED STATES

The 1931 production as estimated on the basis of September 1 conditions by the United States Department of Agriculture and compared with the August 1 estimates and the 1930 production. (In thousands of units, 000 omitted.)

	SEVEN STATES			UNITED STATES		
	Sept. 1 1931	Aug. 1 1931	1930 Prod'n	Sept. 1 1931	Aug. 1 1931	1930 Prod'n
Corn, bu.....	565,615	593,707	488,927	2,715,357	2,775,301	2,093,552
Oats, bu.....	210,359	213,536	209,276	1,160,877	1,169,657	1,358,052
Winter wheat, bu.....	399,702	399,702	314,955	775,180	775,180	612,268
Spring wheat, bu.....	5,156	5,699	11,452	90,816	95,340	194,057
Barley, bu.....	41,608	44,106	55,112	212,391	221,259	334,971
Grainsorghums, bu.....	59,100	55,475	33,838	134,376	124,509	86,514
Broomcorn, tons.....	37,800	38,500	41,100	47,900	48,500	50,200
Beans, bu.....	2,591	2,944	5,641	13,725	20,659	21,907
Tame hay, tons.....	13,062	12,676	13,434	77,859	77,587	77,850
Wild hay, tons.....	3,469	3,449	4,487	9,060	8,593	11,825
Alfalfa hay, tons.....	7,063	6,816	7,984	26,016	25,869	28,615
Potatoes, bu.....	30,741	33,774	43,808	361,036	370,580	343,236
Sweet potatoes, bu.....	3,432	3,248	2,455	83,949	80,669	62,230
Apples, bu.....	13,544	12,313	4,947	222,962	217,971	163,543
Peaches, bu.....	4,449	3,839	1,038	77,722	77,074	53,617
Pears, bu.....	1,257	1,297	555	24,114	24,143	27,577
Grapes, tons.....	20,982	20,724	16,943	1,652,842	1,783,683	2,459,557
Cotton, bales.....	1,588	1,517	1,104	15,685	15,584	13,932
Peanuts, lbs.....	17,500		12,000	913,350		726,745
Pecans, lbs.....	12,500		11,390	76,120		43,990
Sugar beets, tons.....	3,858		5,094	7,130		9,201

Grain Marketing

Since the advent of the combine, receipts of wheat at the five principal grain markets in this District are seasonally smaller in August than in July, but this year's seasonal decline of 55.4 percent was the largest of record and reflects the determination of producers to hold their grain for more favorable prices. The August receipts were only 10.1 percent larger than in August, 1930, although the 1931 crop is estimated as 25 percent larger than that of last year and the largest of record. The August receipts have been exceeded in two other years, 1928 and 1924.

August receipts of all other classes of grain were unusually low, marketings of corn, oats, rye, and kafir being smaller than in the preceding month or the corresponding month last year. Arrivals of barley were seasonally larger than in July but 82.5 percent smaller than in August, 1930. Receipts of corn during August were, with the exception of 1929, the smallest for that month since 1920, barley the smallest since 1922, kafir since 1923, and oats and rye the smallest for any August on records beginning in 1920.

Receipts of six classes of grain at the five markets during August are here shown with comparisons:

	Wheat Bushels	Corn Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Kafir Bushels
Hutchinson.....	11,412,900	5,000	1,500		7,500	1,300
Kansas City.....	14,425,600	1,306,500	208,000	4,500	132,800	38,500
Omaha.....	7,033,600	879,200	384,000		16,000	
St. Joseph....	2,340,800	495,000	256,000		8,750	
Wichita.....	4,561,500	11,700	4,500		9,100	

Aug. 1931....	39,774,400	2,697,400	854,000	4,500	174,150	39,800
July 1931....	89,156,950	2,930,450	926,100	7,300	90,350	45,900
Aug. 1930....	36,115,620	4,512,950	1,734,500	344,800	994,650	43,100

PRICES: There was a 5½ cents per bushel net increase in high protein wheat prices at Kansas City in August, but lower grade wheat showed practically no change. No. 1 hard and dark wheat opened the month at 41 to 47½ cents per bushel and closed at 39½ to 53 cents per bushel. Corn declined approximately 9 cents per bushel during the month, No. 2 mixed opening at 49½ to 50½ cents and closing at 40½ to 41 cents. Oats increased 5 cents per bushel, opening at 21 to 22½ cents and closing at 26 to 27 cents. August, 1930, closing prices were: No. 1 hard and dark wheat 81½ to 90; No. 2 mixed corn 94 to 95½; and No. 2 white oats 41 to 42 cents per bushel.

Flour Production

Flour mills in this District produced only 0.1 percent more flour in August than in July, as compared to a five year average seasonal increase of approximately 10 percent. The August production, although the largest for any month since October, was 7.7 percent smaller than in August, 1930, and the smallest August production recorded since 1927. Mills operated at 68.4 percent of capacity during August, compared to 65.9 percent in July and 74.2 percent in August, 1930.

The production figures for the principal milling centers in this District as compiled from weekly reports to the Northwestern Miller:

	August 1931	July 1931	August 1930
	Barrels	Barrels	Barrels
Atchison.....	121,022	141,610	142,973
Kansas City.....	635,415	650,438	716,332
Omaha.....	100,331	112,142	116,884
Salina.....	180,505	205,474	201,569
St. Joseph.....	90,244	72,783	59,931
Wichita.....	126,006	137,162	164,127
Outside.....	914,451	845,904	939,853
Total.....	2,167,974	2,165,513	2,341,669

Livestock

MARKET MOVEMENTS: The movement of all classes of meat animals to the six primary livestock markets in the Tenth District in August displayed more than the customary increase over the July movement.

The increase in the movement of cattle and calves in August, as compared to July, was the largest since 1927 and of sheep the largest since 1921. Fewer hogs were received at these markets in August than in the preceding month, but the percentage decrease was the smallest since 1928.

The receipts of cattle during the month were the largest since last October and the largest for any August since 1927, and receipts of calves were the largest for any month since December but the smallest for any August on thirteen years' records. Fewer hogs were received at these markets, including hogs shipped to packers' yards, than in any month since last August, and, with that exception, than in any August since 1925. More sheep were received than in any month since last October or any August since 1919.

Receipts of horses and mules during August totaled 3,612 head and were the largest since May, but, with the exception of August, 1930, the smallest for any like month of record.

STOCKERS AND FEEDERS: The movement of stocker and feeder livestock, from four Tenth District markets to feeding areas in August, was considerably larger for all classes than in the preceding month or the corresponding month last year. The movement of cattle was the largest for any August since 1928, of calves and hogs the largest since 1923, and of sheep the largest for any August in the twelve years of record.

RANGES: Range areas of the Tenth District failed to improve materially in August and the September 1 supply of range feed was the shortest for that date reported in the nine years of record. New Mexico and Oklahoma were the only two Tenth District states to report a higher September 1 range condition this year than last, and the New Mexico condition equalled the five year average, according to reports of the Division of Crop and Livestock Estimates, United States Department of Agriculture. Hay and grain crops are also short.

Cattle and sheep have held up very well and are reported as generally in fair to good condition except in a few sections. The reports indicate an early forced movement of cattle and sheep to market from the drier areas but a decided tendency to hold cattle, especially breeding cattle, where finances and feed supplies will permit. Few country sales of cattle have been made and contracting of feeder lambs was below normal in August due to price uncertainty, but the demand broadened in September and sales were being made at \$4.00 to \$5.00 per hundred pounds, with the majority selling at the higher figure. Some feeder lambs were contracted in Wyoming on a share feeding basis. Forced liquidation due to drouth and limited credit have developed a varied program of trading. The lamb crop in the western sheep states is estimated as 9 percent larger this year than last.

PRICES: Fed cattle advanced 50 cents to \$1.50 in August as compared to July but declined steadily the forepart of September, and the top at Kansas City on September 16 was \$8.90 per hundred pounds as compared to \$10.50 paid the third week in August, which price equalled the year's high. Grass cattle were 50 cents lower for the month. Hogs declined on an average of about \$2 per hundred during August and the decline continued into September, with top hogs bringing \$5.60 September 17 with but few butcher hogs selling below \$5.00. This was the lowest price level since 1908. The lamb market closed the month 25 cents lower than the July close and sheep declined 50 cents to \$1.00. The month's top on lambs was \$7.75, but, by September 17, prices had declined until lambs were purchased at \$6.50 and down, which was the lowest price level since 1911. Compared to August, 1930, this year's prices show average declines per hundred weight, as follows: cattle \$2; hogs \$4; sheep \$1; and lambs \$2.25.

Meat Packing

More cattle, calves, and sheep, and fewer hogs were purchased for slaughter at the six leading livestock market centers of the Tenth District in August than in the preceding month. Compared to the corresponding month last year, the August slaughter of cattle, hogs, and sheep increased, and that of calves declined.

More cattle were killed during August than in any August since 1927. The slaughter of sheep was the largest, and of calves the smallest, recorded for any August in the thirteen years records have been compiled. Including hogs shipped direct to

AUGUST MOVEMENT OF LIVESTOCK IN THE TENTH DISTRICT

	RECEIPTS			STOCKERS AND FEEDERS				PURCHASED FOR SLAUGHTER				
	Cattle	Calves	Hogs	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep	
Kansas City.....	168,945	31,856	* 188,011	134,138	54,644	7,540	9,113	32,360	62,960	14,898	* 144,286	90,571
Omaha.....	168,369	9,168	235,205	444,583	34,133	2,133	2,528	200,574	90,145	7,035	144,429	212,210
St. Joseph.....	45,097	6,643	81,170	137,850	9,011	1,148	700	35,855	28,671	5,294	56,179	88,349
Denver.....	24,810	3,696	39,434	144,831	7,216	744	1,307	31,724	11,376	2,399	21,299	26,025
Oklahoma City.....	21,109	8,830	19,391	8,184	.....	.....	.....	10,204	6,466	15,408	6,939	.....
Wichita.....	23,321	6,836	34,025	7,403	.....	.....	.....	7,543	2,085	31,296	6,530	.....
August 1931.....	451,651	67,029	597,236	876,989	105,004	11,565	13,648	300,513	210,899	38,177	412,897	430,624
July 1931.....	332,489	41,220	645,867	542,102	40,345	5,929	8,302	92,665	186,428	30,412	449,807	355,638
August 1930.....	337,921	79,014	592,417	685,990	61,786	8,077	7,415	178,473	188,878	49,360	394,652	394,975
Eight months 1931.....	2,806,195	367,063	6,168,486	5,994,293	530,873	57,474	71,409	881,687	1,462,812	254,797	4,632,151	3,379,234
Eight months 1930.....	2,785,598	431,873	6,812,734	5,625,052	548,061	66,844	93,588	635,597	1,501,274	289,547	4,890,348	3,618,593

* Includes 91,145 hogs shipped direct to packers' yards.

packers' yards, packers' purchases of hogs were the smallest since last August, and, with that exception, the smallest for any August since 1920.

There were 3.9 percent more cattle, 13 percent more sheep, 1.7 percent fewer calves, and 8.2 percent fewer hogs slaughtered under Federal meat inspection in the United States during August than in the corresponding month last year.

Cold Storage Holdings

Whereas in 1930 there was a decline between August 1 and September 1 in cold storage holdings of all commodities, this year witnessed an increase in holdings of lamb and mutton, poultry, turkeys, and cheese. The increase in holdings of lamb and poultry was in excess of the five year average, but that of cheese was somewhat smaller. The increase in holdings of turkeys and the decrease in stocks of butter was contrary to the normal trend. The seasonal out-of-storage movement of beef, pork, lard, and frozen eggs during August was greater than the five year average, and that of miscellaneous meats and eggs in cases, smaller. Cold storage holdings, as of the four dates of comparison, are contained in the following table:

	*Sept. 1 1931	Aug. 1 1931	Sept. 1 1930	Sept. 1 5-Yr. Av.
Beef, lbs.....	38,927	41,055	59,755	42,795
Pork, lbs.....	594,288	711,811	550,959	668,375
Lamb and mutton, lbs.....	1,981	1,892	3,977	2,412
Poultry, lbs.....	43,059	36,438	42,589	42,139
**Turkeys, lbs.....	3,360	2,777	4,496	5,061
Miscellaneous meats, lbs.....	66,971	69,026	84,324	68,436
Lard, lbs.....	95,885	121,926	88,868	153,018
Eggs, cases.....	9,011	9,504	10,375	9,618
Eggs, frozen (case equivalent) ..	3,151	3,277	3,233	2,395
Butter, creamery, lbs.....	104,675	115,121	143,089	150,014
Cheese, all varieties, lbs.....	86,310	84,103	107,219	100,680

*Subject to revision. **Included in Poultry. (000 omitted).

Petroleum

Crude oil production in this District declined 29.8 percent in August as compared to July, according to estimates based on daily average production reported by the American Petroleum Institute. In Oklahoma, where the flow from the larger wells has been shut down by martial law since August 4, production declined 41.4 percent, but the combined total output for the other four oil producing states of the District increased 4.3 percent over the July output. Compared to August, 1930, production in the five states registered a decline of 34.5 percent.

The east Texas field, shut down by executive order August 17, was reopened under proration restrictions September 5, limiting production of each of the 1,600 wells previously shut down, and new wells brought in, to 225 barrels per day.

Following orders restricting production in Oklahoma and east Texas, crude oil prices advanced rapidly until some purchasers were offering from 70 cents to \$1.00 per barrel for high degree gravity oil, as compared to posted prices of 22 cents per barrel the forepart of July. Refined gasoline prices also increased, but, as a result of the reopening of the east Texas field under proration and a seasonal slackening of demand, declined the second and third weeks in September.

Figures showing the gross production of crude oil in July and August this year and August, 1930, follow:

	*Aug. 1931 Barrels	July 1931 Barrels	Aug. 1930 Barrels
Oklahoma.....	9,490,000	16,207,000	16,962,000
Kansas.....	3,159,000	2,887,000	3,448,000
Wyoming.....	1,168,000	1,234,000	1,517,000
Colorado.....	124,000	134,000	133,000
New Mexico.....	1,343,000	1,301,000	1,276,000
Total, five states.....	15,284,000	21,763,000	23,336,000
Total, United States.....	71,890,000	77,961,000	74,853,000

*Estimated, American Petroleum Institute.

Fewer oil wells were completed in the five oil producing states of the Tenth District in August than in any month in over twelve years. The number of rigs up and wells drilling in these states on September 1 was also the smallest of record.

The record of field operations:

	Wells Completed	Barrels Daily New Prod'n	Dry Wells	Gas Wells	Rigs-Wells Drilling
Oklahoma.....	39	50,877	10	10	274
Kansas.....	49	23,913	7	20	125
Wyoming.....	11	1,325	2	3	91
Colorado.....	0	0	0	0	90
New Mexico.....	5	0	2	3	50
August 1, 1931.....	104	76,115	21	36	630
July 1, 1931.....	134	131,734	53	27	678
August 1, 1930.....	436	871,915	134	58	1,454

Bituminous Coal

There was a seasonal increase in soft coal production in five of the six coal producing states of the Tenth District in August as compared to July, the exception being Kansas, and the month's total was the largest since March, but the smallest for any August on records beginning in 1920.

Soft coal production in the United States in August was smaller than for any like month of any year since 1922, when strikes reduced output.

The following summary shows the tonnage produced in August as compared with the preceding month and the corresponding month last year:

	*Aug. 1931 Tons	July 1931 Tons	Aug. 1930 Tons
Colorado.....	385,000	280,000	434,000
Kansas.....	164,000	* 187,000	146,000
Missouri.....	225,000	* 204,000	282,000
New Mexico.....	100,000	100,000	125,000
Oklahoma.....	170,000	123,000	168,000
Wyoming.....	376,000	288,000	430,000
Total, six states.....	1,420,000	1,182,000	1,585,000
Total, United States.....	30,517,000	29,790,000	35,661,000

*Estimated.

Zinc and Lead Mining

August witnessed an upturn in the production of both zinc ore and lead ore at mines in Missouri, Kansas, and Oklahoma, the Tri-state district. The production of zinc ore during the five weeks' period ended September 5 was 27.7 percent greater and that of lead ore 13.4 percent greater than in the preceding five weeks. Compared to the corresponding five weeks in 1930, zinc ore production declined 48.8 percent and lead ore 6.2 percent.

The production of both classes of ore during the past five weeks was the largest for any preceding five weeks' period since April.

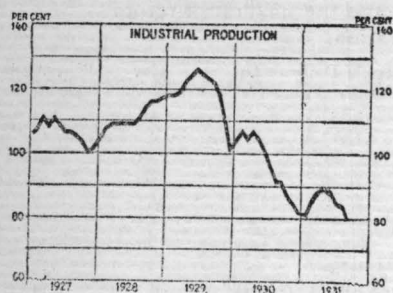
Tonnage and value of zinc and lead ores shipped during the five weeks' periods under comparison:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	14,151	\$ 325,473	2,154	\$ 105,170
Kansas.....	6,128	140,944	954	46,090
Missouri.....	67	1,541	165	7,840
5 weeks ended Sept. 5, 1931..	20,346	\$ 467,958	3,273	\$ 159,100
5 weeks ended Aug. 1, 1931..	15,936	362,952	2,885	128,133
5 weeks ended Sept. 6, 1930..	39,725	1,257,661	3,490	226,850
36 weeks ended Sept. 5, 1931..	168,947	4,007,304	20,457	919,314
36 weeks ended Sept. 6, 1930..	276,709	10,655,870	33,527	2,250,119

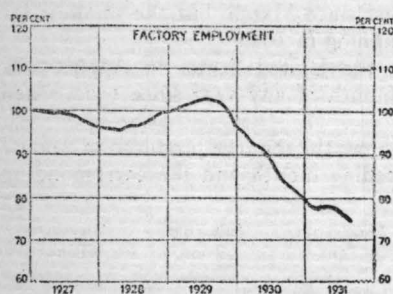
Zinc ore prices remained unchanged for nine consecutive weeks and closed the month at \$23 per ton, compared to \$31 per ton last year. Lead ore prices strengthened somewhat during the month, closing at \$50 per ton, \$5 per ton above the July close, but \$15 per ton under a year ago.

Business Conditions in the United States

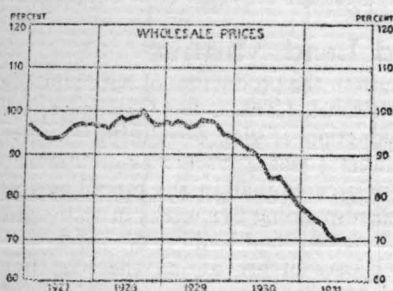
By the Federal Reserve Board



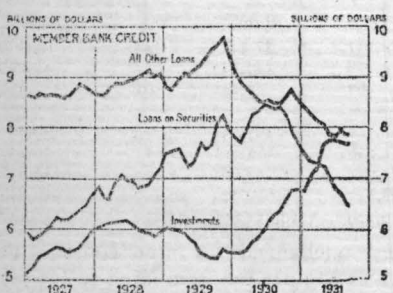
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure, August, 80.



Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average=100.) Latest figure, August, 74.1.



Index of United States Bureau of Labor Statistics (1926=100). Latest figure, August, 70.2.



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

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

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

Value of building contracts awarded, as reported by the F. W. Dodge Corporation, continued to decline in August and for the first eight months of 1931 was 13 percent less than in the corresponding period of 1930, reflecting decreases of 18 percent in contracts for residential building, 30 percent for public works and utilities, 54 percent for factories, and 56 percent for commercial building. Department of Agriculture crop estimates based on September 1 conditions were about the same as estimates made a month earlier. High yields per acre and large crops were indicated for cotton, winter wheat, and tobacco, while crops of spring wheat and hay were expected to be unusually small, chiefly on account of dry weather. The corn crop was estimated at 2,715,000,000 bushels, 600,000,000 bushels larger than last year, but 50,000,000 bushels smaller than the five year average.

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

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

BANK CREDIT: Volume of reserve bank credit, which had increased by \$240,000,000 during the month of August, increased further by \$70,000,000 in the first part of September and in the week ending September 19, averaged \$1,265,000,000. The demand for the additional reserve bank credit arose chiefly from an increase of \$295,000,000 in the volume of currency outstanding.

There were also further transfers to the reserve banks by foreign correspondents of funds previously employed in the acceptance market, offset in large part by a growth of \$60,000,000 in the country's stock of monetary gold. Following the suspension of the Gold Standard Act by Great Britain, more than \$100,000,000 in gold was added to the amount held by the Federal reserve banks under earmark for foreign account and there was a corresponding decrease in the country's stock of monetary gold.

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

Money rates in the open market continued at low level. On September 22, the rate on bankers' acceptances advanced from $\frac{3}{8}$ of one percent to one percent. Yields of high grade bonds increased during the last half of August and the first part of September.