

# 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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**T**HE index average of farm prices and the purchasing power of the farm dollar, as computed by the United States Department of Agriculture, advanced 5 points between June 15 and July 15, the former being equal to 57 percent and the latter 53 percent of the 1909-1914 average. The increase was attributed to higher prices of hogs, cattle, eggs, cotton, and some minor crops. Since July 15 prices of hogs have declined about 50 cents per hundredweight, but prices of wheat, corn, butterfat, eggs, wool, and hides have advanced somewhat and those of cattle and sheep have been comparatively steady.

Crop prospects in the Tenth Federal Reserve District are reasonably good, although the August 1 estimates were not as promising as those of July 1. Livestock are in good condition and, with an abundance of corn promised for the feeding areas, normal range conditions, a larger hay crop, and more range feed than a year ago, carrying power is greatly increased over that of last year.

Retail trade experienced somewhat more than the usual mid-summer dullness, with July department store sales at new low levels. Wholesale trade also declined during July and sales were substantially smaller than for July, 1931.

All minerals reported a heavy reduction as compared to a year ago, but the July output of cement exceeded that for June. Flour production increased seasonally for the month but declined 13.2 percent for the year. Building operations continue at about 20 percent of the ten-year average volume.

## Financial

**MEMBER BANK OPERATIONS:** Weekly condition statements of fifty-four reporting member banks in leading cities of this District, reflect a further reduction during the four weeks ended August 10 in all classes of loans and discounts. Reductions carried loans secured by stocks and bonds to 1922 levels, and "all other" loans and total loans to new low post-war levels. Investments showed little change in four weeks, but on August 10 were 4.2 percent smaller than on August 12, 1931. Investments in United States Government securities, which increased 2.9 percent in four weeks and 16.3 percent in fifty-two weeks, were offset by declines in investments in other bonds, stocks, and securities.

Net demand deposits declined 2.1 percent and time deposits 0.2 percent in four weeks, and 18.7 and 11.8 percent, respectively, in fifty-two weeks.

**RESERVE BANK OPERATIONS:** Member banks of the Tenth Federal Reserve District reduced their indebtedness to this bank and branches \$1,720,868 between July 13 and August 10. This bank's holdings of bills rediscounted for member banks as of August 10 were \$18,713,879 less than on

**BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT**  
Percentages of Increase, or Decrease (—), for July 1932 over June 1932 and July 1931 and for the first seven months of 1932 over the like period in 1931.

	July 1932 Compared to		7 Months 1932 Compared to
	June 1932	July 1931	7 Months 1931
<b>Banking</b>			
Payments by check, 29 cities.....	3.2	—28.4	—28.4
Federal Reserve Bank clearings.....	— 4.2	—30.5	—26.6
Business failures, number.....	30.6	31.8	15.3
Business failures, liabilities.....	12.4	169.2	64.6
Loans, 54 member banks.....	— 1.1	—24.7	.....
Investments, 54 member banks.....	0.03	— 4.2	.....
Net demand deposits, 54 member banks.....	— 2.1	—18.7	.....
Time deposits, 54 member banks.....	— 0.2	—11.8	.....
Savings deposits, 48 selected banks.....	— 2.0	—12.7	.....
Savings accounts, 48 selected banks.....	— 0.4	— 3.4	.....
<b>Distribution</b>			
Wholesalers' sales, 5 lines combined.....	—13.4	—32.8	—25.8
Retailers' sales, 34 department stores.....	—23.9	—29.7	—23.9
Lumber sales, 163 retail yards.....	9.8	—48.7	—39.5
<b>Construction</b>			
Building contracts awarded, value.....	104.4	—32.0	—62.5
Residential contracts awarded, value.....	—15.3	—70.3	—63.1
Building permits in 17 cities, value.....	—39.3	—80.2	—75.3
<b>Production</b>			
Flour.....	7.2	—13.2	— 1.5
Crude petroleum.....	2.1	—16.2	—17.2
Soft coal.....	— 7.7	—31.0	—13.8
Zinc ore (shipped) Tristate District.....	—56.5	—54.4	—38.6
Lead ore (shipped) Tristate District.....	—58.2	—73.5	—13.7
Cement.....	25.0	—27.1	—50.0
<b>Grain receipts, 5 markets</b>			
Wheat.....	263.0	—53.7	—35.6
Corn.....	—16.8	—76.8	—76.1
Oats.....	107.7	—35.6	—30.5
Rye.....	—33.0	—19.2	—48.3
Barley.....	123.9	13.5	—33.0
Kafir.....	—43.7	112.0	15.9
<b>Livestock receipts, 6 markets</b>			
Cattle.....	5.6	—10.7	—11.4
Calves.....	— 2.7	0.02	—12.0
Hogs.....	—14.2	— 3.3	6.6
Sheep.....	—18.1	— 7.5	— 2.5
Horses and mules.....	13.7	—61.2	—27.7
<b>Meat packing, 6 markets</b>			
Cattle.....	— 9.6	—16.7	— 5.6
Calves.....	—13.4	—12.3	— 8.7
Hogs.....	— 6.3	15.5	16.2
Sheep.....	—17.0	—16.7	— 4.5

March 2, the high point this year, and were at the lowest point since October 7, 1931, although \$9,151,475 greater than on August 12 of that year. Member bank reserve deposits declined 1.2 percent in four weeks and on August 10 were 15.8 percent less than one year earlier.

This bank purchased \$901,000 of United States securities in the four weeks ended August 10, and total holdings as of that date were \$18,190,100 larger than one year earlier.

Federal reserve note circulation increased 4.8 percent in four weeks, and was \$95,183,215 on August 10.

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		
	Aug. 10, 1932	July 13, 1932	Aug. 12, 1931
Loans and investments—total.....	\$527,543,000	\$530,332,000	\$626,021,000
Loans and discounts—total.....	266,058,000	268,910,000	353,342,000
Secured by stocks and bonds	78,178,000	78,554,000	98,895,000
All other loans and discounts	187,880,000	190,356,000	254,447,000
Investments—total.....	261,485,000	261,422,000	272,679,000
U. S. securities.....	141,918,000	137,873,000	122,017,000
Other bonds, stks, and sec.....	119,567,000	123,549,000	150,662,000
Reserve with F. R. bank.....	44,653,000	44,829,000	51,482,000
Net demand deposits.....	351,667,000	359,012,000	432,130,000
Time deposits.....	178,391,000	178,684,000	202,276,000
Government deposits.....	4,499,000	3,806,000	986,000

	FEDERAL RESERVE BANK		
	Aug. 10, 1932	July 13, 1932	Aug. 12, 1931
Gold reserves.....	\$ 83,766,574	\$ 79,097,965	\$ 91,639,269
Reserves other than gold.....	5,011,038	4,816,032	7,265,619
Total reserves.....	88,777,612	83,913,997	98,904,888
Bills discounted.....	21,224,580	22,945,448	12,073,105
Bills purchased.....	945,758	1,536,403	3,702,330
U. S. securities.....	57,267,100	56,366,100	39,077,000
Other securities.....	.....	.....	780,000
Total bills and securities.....	79,437,438	80,847,951	55,632,435
Total resources.....	193,033,575	193,310,677	187,371,281
F. R. notes in circulation.....	95,183,215	90,865,565	64,067,240
Member banks' reserve deposits	67,006,653	67,808,393	79,574,814

The discount rate of the Federal Reserve Bank of Kansas City, on all classes of paper and all maturities, remained unchanged at 3½ percent.

**SAVINGS:** Savings deposits, as reported by forty-eight selected banks in leading cities of this District, declined 2 percent in July. The rate of decline in the number of accounts showed little change from that of the preceding five months, amounting to 0.4 percent in July. Compared to August 1 last year, savings deposits declined 12.7 percent and the number of accounts 3.4 percent.

Savings deposits and savings accounts as reported by the forty-eight banks:

	Savings Accounts	Savings Deposits
August 1, 1932.....	403,910	\$113,631,086
July 1, 1932.....	405,684	115,896,196
August 1, 1931.....	418,027	130,155,650

### Business Failures

Commercial insolvencies in this District during July were more numerous than in June this year or July last year as was the amount of liabilities involved.

Business failures in this District and the United States as reported by R. G. Dun and Company:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
July 1932.....	141	\$ 3,639,171	2,596	\$ 87,189,639
June 1932.....	108	3,237,825	2,688	76,931,452
July 1931.....	107	1,351,878	1,983	60,997,853

### Federal Reserve Bank Check Collections

Check collections through this bank and branches in July as compared to June showed declines of 18.9 percent in the number of items handled and 4.2 percent in the dollar amount. The July totals show a reduction of 32.1 percent in the number and 30.5 percent in the value of checks handled as compared to a year ago.

Check collections through the Federal Reserve Bank of Kansas City and branches:

	ITEMS		AMOUNT	
	1932	1931	1932	1931
July.....	3,742,110	5,510,202	\$ 517,659,000	\$ 744,991,000
June.....	4,614,109	5,754,170	540,241,000	736,522,000
Seven months..	31,593,852	38,548,093	3,749,729,000	5,105,594,000

### Bank Debits

Banks in twenty-nine leading cities of the District reported debits to individual accounts, during the five and thirty-one week periods ended August 3, as 28.4 percent smaller than in the corresponding five and thirty-one weeks of 1931. The total for the five weeks exceeded that of the preceding five weeks by 3.2 percent.

	PAYMENTS BY CHECK		Percent Change
	FIVE WEEKS ENDED	Aug. 3, 1932	
Albuquerque, N. M.....	\$ 8,951,000	\$ 11,708,000	-23.5
Atchison, Kans.....	3,255,000	5,152,000	-36.8
Bartlesville, Okla.....	20,711,000	18,477,000	12.1
Casper, Wyo.....	4,926,000	6,064,000	-18.8
Cheyenne, Wyo.....	5,954,000	7,251,000	-17.9
Colorado Springs, Colo.....	14,190,000	17,639,000	-19.6
Denver, Colo.....	113,470,000	161,587,000	-29.8
Enid, Okla.....	11,583,000	20,764,000	-44.2
Fremont, Nebr.....	2,537,000	3,591,000	-29.4
Grand Junction, Colo.....	1,793,000	3,037,000	-41.0
Guthrie, Okla.....	1,302,000	2,539,000	-48.7
Hutchinson, Kans.....	17,945,000	26,484,000	-32.2
Independence, Kans.....	3,279,000	6,874,000	-52.3
Joplin, Mo.....	5,579,000	7,964,000	-29.9
Kansas City, Kans.....	14,309,000	21,925,000	-34.7
Kansas City, Mo.....	275,217,000	395,905,000	-30.5
Lawrence, Kans.....	3,678,000	4,948,000	-25.7
Lincoln, Nebr.....	25,247,000	35,251,000	-28.4
Muskogee, Okla.....	6,801,000	8,961,000	-24.1
Oklahoma City, Okla.....	74,708,000	100,599,000	-25.7
Okmulgee, Okla.....	2,765,000	3,612,000	-23.4
Omaha, Nebr.....	132,014,000	196,180,000	-32.7
Pittsburg, Kans.....	3,353,000	4,813,000	-30.3
Pueblo, Colo.....	15,388,000	21,962,000	-29.9
Salina, Kans.....	9,562,000	13,048,000	-26.7
St. Joseph, Mo.....	24,968,000	38,988,000	-36.0
Topeka, Kans.....	17,140,000	20,492,000	-16.4
Tulsa, Okla.....	76,373,000	91,278,000	-16.3
Wichita, Kans.....	45,355,000	59,955,000	-24.4
Total 29 cities, 5 weeks.....	\$ 942,353,000	\$ 1,317,048,000	-28.4
Total 29 cities, 31 weeks.....	5,933,513,000	8,290,124,000	-28.4
U. S. 263 cities, 5 weeks.....	32,513,354,000	46,597,803,000	-30.2
U. S. 263 cities, 31 weeks.....	219,500,778,000	333,392,659,000	-34.2

### Building

Compared to the average of recent years building activity in this District during July was extremely dull. The estimated cost of construction of new building operations for which permits were issued in seventeen reporting cities, was the smallest for any month in recent years, 80.2 percent below a year ago, and only equal to 11 percent of the ten-year average for July. There were 896 permits issued during the month as compared to 1,396 a year ago and a ten-year average of 2,421.

#### BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1932	1931	1932	1931
Albuquerque, N. M.....	45	66	\$ 29,523	\$ 264,070
Colorado Springs, Colo.....	25	37	10,522	23,105
Denver, Colo.....	271	342	189,015	392,650
Hutchinson, Kans.....	17	18	5,105	50,855
Joplin, Mo.....	14	23	4,500	20,301
Kansas City, Kans.....	28	70	30,000	70,206
Kansas City, Mo.....	133	164	132,300	327,400
Lincoln, Nebr.....	27	57	26,660	258,285
Oklahoma City, Okla.....	79	152	142,684	1,183,315
Omaha, Nebr.....	61	94	110,575	599,403
Pueblo, Colo.....	36	55	4,172	18,195
Salina, Kans.....	10	30	5,315	37,740
Shawnee, Okla.....	3	5	700	3,025
St. Joseph, Mo.....	17	38	10,620	14,410
Topeka, Kans.....	42	51	35,260	39,170
Tulsa, Okla.....	49	119	24,275	512,999
Wichita, Kans.....	39	75	31,689	255,720
Total 17 cities, July.....	896	1,396	\$ 792,915	\$ 4,005,849
Seven months.....	7,602	10,917	7,918,584	32,009,555

RETAIL TRADE AT 34 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		COLLECTIONS		
	July 1932 compared to July 1931	7 Months 1932 compared to 7 Months 1931	July 31, 1932 compared to June 30, 1932		July 7 Months				July 31, 1932 compared to June 30, 1932		July 1932 compared to July 1931		
			1932	1931	1932	1931	1932	1931	1932	1931	1932	1931	
Kansas City.....	4	-32.5	-27.8	-8.0	-11.1	.11	.15	1.10	1.40	-17.7	-19.9	-2.7	-19.9
Denver.....	5	-30.1	-19.7	-10.1	-22.2	.18	.22	1.50	1.63	-10.0	-11.9	-7.8	-23.2
Oklahoma City....	3	-21.9	-26.1	-15.8	-30.2	.17	.16	1.54	1.68	-9.6	-12.4	-3.8	-31.9
Topeka.....	3	-31.8	-21.8	-8.4	-20.1	.....	.....	.....	.....	-11.1	-21.8	-6.1	-24.4
Tulsa.....	3	-17.7	-17.9	-7.7	-28.3	.23	.20	2.41	2.22	-12.4	-18.0	-8.1	-14.5
Other cities.....	16	-30.7	-25.3	-13.6	-21.6	.18	.21	1.51	1.66	-9.4	-15.4	-13.8	-31.8
Total.....	34	-29.7	-23.9	-10.7	-20.2	.16	.19	1.41	1.59	-10.9	-14.8	-8.0	-25.7

NOTE: Percentage of collections in July on accounts June 30, all stores reporting 31.6. Collections same month last year 36.8.

The value of total building contracts awarded in the District as reported by F. W. Dodge Corporation, although more than double that for June, was 32 percent smaller than a year ago and 57.7 percent smaller than the 1927-1931 average. Construction in the United States also increased somewhat for the month, but was 73.4 percent short of the average.

Residential construction in both this District and the United States was reported as the smallest for any month in recent years, declining 86.4 percent for the District and 67.4 percent for the nation as compared to the average of the past five years.

The F. W. Dodge Corporation report on total building contracts awarded:

	TENTH DISTRICT		UNITED STATES	
	1932	1931	1932	1931
July.....	\$ 8,195,303	\$ 12,060,054	\$128,768,700	\$ 285,997,300
June.....	4,009,432	16,363,450	113,075,000	331,879,700
Seven months..	38,406,385	102,513,424	795,848,400	2,094,224,100

Lumber

Sales of lumber at 163 retail yards in this District, disregarding inventory influences, increased 9.8 percent in July but were 48.7 percent smaller than a year ago. Sales of all materials in dollars were unchanged for the month but off 48.5 percent as compared to July, 1931. Stocks of lumber were reduced slightly during July and 15.6 percent for the year. Collections during July, on accounts outstanding as of June 30, amounted to 19.8 percent as compared to 18 percent in June and 28.9 percent in July last year.

Percentages of increase or decrease for July as compared to June this year and July last year, are shown in the following:

	July 1932 Compared to	
	June 1932	July 1931
Sales of lumber, board feet.....	9.8	-48.7
Sales of all materials, dollars.....	Even	-48.5
Stocks of lumber, board feet.....	-1.6	-15.6
Outstandings, end of month.....	-3.3	-26.7

Production of lumber in the United States remains stationary at 22 percent of normal for the week and thirty weeks ended July 30, according to reports to the National Lumber Manufacturers Association. Shipments and orders received during the thirty weeks have exceeded production by 25 percent and 21 percent, respectively.

Cement

For the first time since February, production of finished Portland cement at mills in this District exceeded shipments. Stocks increased 290,000 barrels and on July 31, were the largest in four months.

Figures on production, shipments, and stocks for mills in the District as compiled from the July report of the United States Bureau of Mines:

	July 1932	June 1932	July 1931
	Barrels	Barrels	Barrels
Produced.....	900,000	720,000	1,234,000
Shipped.....	610,000	765,000	1,331,000
Stocks, end of month.....	1,966,000	1,676,000	2,233,000

Trade

RETAIL: There was a seasonal decline of 23.9 percent in the dollar sales of thirty-four reporting department stores in this District during July, comparing with 25.1 percent last year and a five-year average rate of 19.3 percent. July is ordinarily a dull month, with sales increasing each succeeding month thereafter and reaching their peak in December. Sales, as compared to July last year, declined 29.7 percent, thus establishing a new record for the present movement in the decline of sales for the month under review as compared to the corresponding month of the preceding year.

Net reduction in inventories between June 30 and July 31 of 10.7 percent was somewhat greater than usual. For the sixth successive year the retail value of stocks at the close of July were lighter than one year earlier, declining 20.2 percent this year, 10.6 percent in 1931 as compared to 1930, 9.1 percent in 1930, and from 1 to 2 percent in 1929, 1928, and 1927.

WHOLESALE: Reports from wholesalers' of drygoods, groceries, hardware, furniture, and drugs, located in the Tenth District, reflected the dollar volume of their July sales declined, respectively, 12.7, 7.4, 22.5, 29.7, and 11.1 percent as compared to June. Under normal conditions sales of drygoods and drugs increase somewhat, whereas, sales of furniture decline from 25 to 30 percent and of hardware about 10 percent. Compared to July last year, sales of drygoods, groceries, and hardware declined approximately one-third, furniture one-half, and drugs one-fourth.

Month-end inventories, with the exception of drygoods, were slightly smaller on July 31 than on June 30, with all lines reporting substantial decreases as compared to July 31, 1931.

COLLECTIONS: Collections by department stores in July equalled 31.6 percent of amounts outstanding on June 30, as against 32.8 percent in June this year and 36.8 percent in July, 1931. All wholesale lines reported July collections decidedly slower than a year ago and, with the exception of drygoods, as running less than in June.

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Reporting Stores	SALES		OUTSTANDINGS		COLLECTIONS		STOCKS		
	July 1932 compared to June 1932	July 1931	July 31, 1932 compared to June 30, 1932	July 31, 1931	July 1932 compared to June 1932	July 1931	July 31, 1932 compared to June 30, 1932	July 31, 1931	
Dry Goods.....	6	-12.7	-34.8	-3.3	-16.9	5.2	-26.8	12.6	-21.5
Groceries.....	5	-7.4	-32.9	-1.9	-12.6	-9.2	-19.9	-0.5	-17.3
Hardware.....	9	-22.5	-33.2	-3.4	-12.1	-4.2	-30.2	-2.9	-11.0
Furniture.....	5	-29.7	-54.1	-5.8	-30.8	-29.5	-56.0	-2.7	-28.4
Drugs.....	6	-11.1	-26.6	-4.5	-11.7	-1.1	-21.1	-3.7	-18.3

## Grain Marketing

July receipts of all classes of grain at the five principal Tenth District markets were below the ten-year average for that month as follows: wheat, 20.2; corn, 80.6; oats, 49.2; rye, 90.9; and kafir, 46.8 percent.

Arrivals of wheat during the first month of the new crop year were the smallest for any July since 1927 and 53.7 percent short of the July, 1931, record volume. Shorter supplies were due largely to a 44 percent reduction in the winter wheat crop and to unsatisfactory prices.

Marketings of corn and rye were smaller and of barley larger than in June this year or July last year. Marketings of oats increased seasonally but were 35.6 percent smaller than a year ago. Less kafir was received in July than in June, but July receipts were over twice as large as a year earlier.

Receipts of grain at the five principal markets of this District:

	Wheat Bushels	Corn Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Kafir Bushels
Hutchinson...	10,739,250	7,500	.....	.....	11,250	22,100
Kansas City..	16,152,000	334,500	78,000	4,500	76,800	70,000
Omaha.....	3,864,000	263,200	416,000	1,400	8,000	.....
St. Joseph....	2,737,600	67,500	102,000	.....	.....	.....
Wichita.....	7,497,000	6,500	.....	.....	6,500	5,200
July 1932.....	41,289,850	679,200	596,000	5,900	102,550	97,300
June 1932.....	11,374,200	816,500	287,000	8,800	45,800	172,700
July 1931.....	89,156,050	2,930,450	926,100	7,300	90,350	45,900

The average quality of wheat arriving at terminal markets has been excellent, with high protein samples so prevalent as to result in lower premiums. Millers and elevator men were active buyers for the comparatively light offerings.

**PRICES:** Number 1 hard and dark wheat at Kansas City opened at 42 cents per bushel, declined to 40 cents on July 18, and then steadily advanced to close at 47 cents as against 41½ cents a year ago. Prices strengthened slightly the first few days of August but subsequently declined to August 1 levels. Bottom prices of mid-July were 2½ cents per bushel above the low of last October.

Corn prices advanced gradually the afterpart of July and from then on retained most of their gain, number 2 mixed being quoted at 28½ cents per bushel on July 1, and 32½ cents August 1 as against 53½ cents and 48 cents per bushel on the corresponding dates last year. Number 2 white oats registered a net decline of 3 cents per bushel for the month and the year, closing at 18 cents per bushel. Rye declined 3 cents and barley 4 cents per bushel for the month.

## Flour Milling

Southwestern mills, reporting their weekly output to the Northwestern Miller, operated at 60.5 percent of full time capacity during July as compared to 56.6 percent in June and 65.9 percent in July, 1931. Starting the new cereal year, production of flour increased 7.2 percent over June, but declined 13.2 percent as compared to July last year. The increase over June was somewhat below the average and compares with 31.3 percent last year and 10.6 percent in 1930.

Sales were not as active as usual at this season, although in moderate volume. Most orders were for small lots for shipment within ninety days. Demand broadened the latter part of the month and a few round and large lots were sold with some deliveries extending to the first of the year. Bakers were not buying their full requirements, reporting old stocks lasting longer than anticipated. The family trade demand continues above normal.

Prices were irregular and closed unchanged for the month.

The number of barrels of flour produced at the leading milling centers of this District in July, with comparisons:

	July 1932 Barrels	June 1932 Barrels	July 1931 Barrels
Atchison.....	109,974	102,287	141,610
Kansas City.....	573,554	525,355	650,438
Omaha.....	67,845	66,557	112,142
Salina.....	155,915	146,601	205,474
St. Joseph.....	86,258	64,245	72,783
Wichita.....	195,261	209,309	137,162
Outside.....	691,302	639,207	845,904
Total.....	1,880,109	1,753,561	2,165,513

Millfeed demand was slow to weak throughout the month but improved somewhat at the close. Supplies were liberal, with production at interior points being taken largely by the mixed car trade. Prices were low but strengthened as grain prices advanced, bran and shorts showing a net gain of 40 cents per ton for the month.

## Crops

The condition of all crops remaining for harvest in this District, except tobacco, declined in July as a result of high temperatures and insufficient moisture. Rains received the forepart of August were somewhat scattered and varied considerably in amounts, ranging from a trace to an excess, and in some instances arriving too late to improve corn prospects although preventing further deterioration. In the north-eastern part of the District, where the corn crop is excellent, the present moisture supply is generally adequate but other sections are in immediate need of rain. From now until harvest time frequent rains will be essential to best crop yields. Threshing returns reveal yields of wheat higher than previously expected, but yields of oats, rye, and barley are not quite up to preliminary estimates. Late cuttings of hay will be light and, except in northeastern Kansas and eastern Nebraska, pastures are badly burned. Fall plowing has been delayed by the hard, dry soil condition and weed growth.

### LEADING FARM CROPS IN THE TENTH DISTRICT

(Compiled from the August reports of the United States Department of Agriculture)

	TENTH DISTRICT			UNITED STATES		
	Aug. 1, 1932	July 1, 1932	Aug. 1, 1931	Aug. 1, 1932	July 1, 1932	Aug. 1, 1931
Winter wheat, bu.	163,559	153,226	398,096	441,788	431,762	789,462
Spring wheat, bu.	7,077	7,653	4,025	280,899	305,209	104,742
All wheat, bu.....	170,636	160,879	402,121	722,687	736,971	894,204
Corn, bu.....	511,729	608,144	393,884	2,819,794	2,995,850	2,563,271
Oats, bu.....	144,792	147,160	147,712	1,214,733	1,217,244	1,112,937
Potatoes, bu.....	40,489	45,175	27,780	367,399	377,769	375,518
Tame hay, tons....	8,619	8,821	7,270	67,390	68,259	64,213
Cotton, bales.....	868	.....	1,336	11,306	.....	17,096

The August 1 condition of Colorado crops was officially reported as the lowest of record with the abandonment of spring sown crops expected to be heavier than last year. A shortage of irrigation water in the Arkansas valley and an abundance in the San Luis valley were reported.

The non-irrigated sections of Wyoming suffered heavily as did central and western Kansas, Nebraska, and Oklahoma. Missouri and New Mexico suffered the least of any of the Tenth District states, corn doing well in the former and the latter reporting crops generally good to excellent.

**CORN:** Hot and dry weather in July, when a majority of the corn was at the critical stage of development and rains and cool weather were needed, caused a rapid decline in condition in all parts of the District except Missouri, eastern Nebraska, and northeastern Kansas, where prospects are excellent. In Oklahoma, early corn has matured and the crop is fair to good, but the late crop has been injured severely. In the northern states, early corn suffered the greatest injury

with the final results of late plantings depending upon future moisture supplies. On August 15 the Kansas State Board of Agriculture reported corn prospects in the southeastern part of that state as dwindling rapidly, with that in the western part injured beyond recovery, being good for nothing but fodder. Corn in western Nebraska has fared better than that in western Kansas and eastern Colorado. After making allowance for the injury in July, estimated at 16 percent, the United States Department of Agriculture placed this District's 1932 corn crop at 511,729,000 bushels, 117,845,000 bushels larger than the crop harvest last year and 8.7 percent larger than the 1927-1931 average yield.

**WHEAT:** Winter wheat production for this District is now estimated at 163,559,000 bushels or 10,333,000 bushels more than on July 1, and the spring wheat crop at 7,077,000 bushels or a decrease of 576,000 bushels for the month. Last year's yield of winter wheat totaled 398,096,000 bushels and of spring wheat 4,025,000 bushels.

The largest potential spring wheat crop since 1928, largest farm reserves in over thirty years, and a total carryover in excess of that of last year makes the season's prospective supply of wheat for the United States, after allowing for a reduction of 347,674,000 bushels or 44 percent in the winter wheat harvest, total 1,074,592,000 bushels, or 118,413,000 bushels less than last year.

The season's supply as estimated by the United States Department of Agriculture and based on the July 1 carryover, and the August 1 forecasts of winter and spring wheat production:

	1932 Bushels	1931 Bushels
Carryover July 1.....	351,905,000	298,801,000
Winter wheat forecast August 1.....	441,788,000	789,462,000
Spring wheat forecast August 1.....	280,899,000	104,742,000
Total supply, United States.....	1,074,592,000	1,193,005,000

The present price relationship between wheat and corn would indicate that less wheat will be fed to livestock this year than last. Last season wheat sold for less than corn but this year costs are reversed.

**COTTON:** Oklahoma, the principal cotton producing state of this District, will have, according to August 1 estimates, a crop of 776,000 bales. Last year's crop totaled 1,261,000 bales but the acreage was 11 percent greater. In New Mexico, where the cotton acreage is 4 percent less than a year ago, the crop is reported good. Tenth District production of cotton is estimated at 868,000 bales and United States production at 11,306,000 bales as against 1,336,000 and 17,096,000 bales, respectively, picked last year.

The Bureau of Census reported the nation's carryover of cotton, from the cotton year ended July 31, at 9,682,316 bales as against 6,369,993 bales last year, making the prospective supply for the coming year 20,988,000 bales as compared to 23,170,748 bales for the year just closed. Domestic consumption for the year ended July 31 was placed at 4,869,103 bales and net exports at 8,706,890 bales.

**HAY:** Tame hay prospects are not as promising as a month ago, the tame hay crop for this District being cut from 8,821,000 tons July 1 to 8,619,000 tons August 1. Third cuttings of alfalfa have been short. Wild hay prospects are generally good. A larger than usual proportion of the oats crop was cut for hay. All states of the District, except Missouri, will have more hay this year than last.

**POTATOES:** A record crop of 40,489,000 bushels of white potatoes is promised for the District, and United States production is forecast as below that of last year but above the average.

All Tenth District states report a large crop this year although the condition declined somewhat during July, especially in Colorado. When prices of Kaw valley potatoes declined to 30 to 35 cents per hundredweight, many producers discontinued digging, resulting in a large percentage of the crop being allowed to rot in the ground.

**BROOMCORN:** This District, which produces about 90 percent of the nation's broomcorn, and with harvest at hand, will have a smaller acreage and a larger yield of broomcorn this year than last. Quality varies, and some fields are being harvested before they are ripe on account of chinch bug injury.

**DRY BEANS:** Growing conditions for dry beans have been extremely unsatisfactory in Colorado, but fairly good in Wyoming. Tenth District production will be somewhat smaller this year than last, with United States production off about 25 percent.

**FRUIT:** Prospects for a sub-normal fruit crop changed little during July. Cantaloupes from the Rocky Ford district of Colorado are moving to market as are grapes from the Ozark regions of Missouri and melons from Oklahoma, Missouri, and Kansas. Elberta peaches are about ready to harvest in Colorado, which reports a record peach crop, and the picking of apples is commencing in southern Missouri.

**LABOR:** With a supply of farm labor double the demand, farm wages are the lowest in thirty years, averaging 87 percent of pre-war levels.

### Livestock

**MARKET MOVEMENTS:** Receipts of cattle, calves, and hogs at the six principal livestock markets of this District during July were substantially below the ten-year average for that month, but marketings of sheep were 4 percent heavier. Arrivals of cattle were larger in July than in June but 10.7 percent smaller than in July, 1931. Little change was noted in calf numbers, but marketings of hogs and sheep declined both as compared to the preceding month and a year ago. Supplies of horses and mules were extremely light, being 61.2 percent less than a year ago and 50.4 percent short of the ten-year average.

Reports of sixty-one public stockyards in the United States show the following declines in the number of head of livestock marketed in July as compared to the 1927-1931 July average: cattle, 18.7; calves, 16.2; hogs, 26.6; and horses and mules, 41.6 percent. Marketings of sheep were 6.4 percent in excess of the average.

**PRICES:** With the exception of beef steers, top prices of which were \$1 higher for the month, carrying the July top above July, 1931, all species of livestock were lower than a year ago. Calves were \$3 per hundredweight lower, with other grades ranging up to fractional declines for feeders which were steady to lower for the month. Fat and feeder lambs were 25 cents per hundredweight higher for the month, but the Kansas City top of \$6.40 for fat lambs was \$2.50 under a year ago. Hog prices, which reached the highest levels since last October on August 11, receded to close 20 to 30 cents lower for the month, with the month's top of \$5 being \$3.85 per hundred pounds under July last year. Stock pigs were higher but all other classes were below the June close.

**STOCKER AND FEEDER SHIPMENTS:** The demand for stocker and feeder cattle improved in July. For the first time since last September, shipments from four Tenth District markets exceeded those for the corresponding month of the preceding year. Outgo, although 31.6 percent larger than a year ago, was 21.7 percent short of the ten-year average. The

countryward movement of calves for each of the past five months has been larger than one year earlier, but the total for the first seven months is 12.3 percent less than for the same period last year and 1.2 percent below the 1922-31 average. Larger supplies and hot, dry weather slowed up the demand the latter part of the month. Shipments of hogs and sheep were 54.5 and 43.5 percent, respectively, smaller than a year ago and 60.1 and 46.5 percent below normal.

Reports from sixty-one markets in the United States show shipments of stocker and feeder calves during July increased 18.6 and 30.4 percent, respectively, those of hogs declined 41.4 percent, and of sheep 25.6 percent as compared to July, 1931.

**RANGES:** Cattle and sheep on western ranges are reported as making good gains and being in good flesh except in a few dry areas. Range conditions are generally above average although deteriorating somewhat in July as a result of the hot, dry weather. Wyoming ranges dropped 10, New Mexico 5, and Colorado 4 points in condition during the month.

**CATTLE ON FEED:** The United States Department of Agriculture reported 5 percent fewer cattle on feed in the eleven corn belt states on August 1 this year than on the like date last year. Last year's decrease as compared to August 1, 1930, was 13 percent. States east of the Mississippi river have enlarged their feeding operations 14 percent, but those west of the river have reduced theirs 12 percent. Missouri reported the same number of cattle on feed this year as last, but Kansas and Nebraska reported reductions of 7 percent and 22 percent, respectively. Cattle feeders expressed the intention of purchasing more cattle in the next five months than in the like period last year as feed is more plentiful and prices of both livestock and feed are low. Fulfillment of intentions will depend largely upon the ability of feeders to finance their operations.

**THE LAMB CROP:** The 1932 lamb crop for the United States is estimated as 8 percent smaller than the 1931 crop and about 1 percent smaller than the 1930 crop. Reductions were entirely in the western sheep states where the crop was 12 percent smaller than last year. Native sheep states reported the largest crop in eight years or 1 percent larger than last year. Lambs produced this year totaled 18,955,000 head for the western states, 10,762,000 in the native states, and 29,717,000 head for the country as a whole. The number of lambs saved per hundred ewes, 80.4 percent, was the smallest percentage lamb crop shown for the nine years of record and compares with 89.2 percent in 1931.

Wyoming reported some contracting of feeder lambs the forepart of August for October delivery at \$4 per hundred-weight.

Sheep numbers in the United States on January 1 were the largest ever reported as was the 1931 slaughter of sheep and lambs.

The 1932 lamb crop of the three principal sheep producing states of this District and the United States is shown in the following, with comparisons, in thousands of head, 000 omitted:

	BREEDING EWES JAN. 1		LAMBS DOCKED			
	Number		Percent of Ewes		Number	
	1932	1931	1932	1931	1932	1931
Colorado.....	1,562	1,500	70	82	1,093	1,230
New Mexico.....	2,158	2,070	52	68	1,122	1,408
Wyoming.....	3,250	2,950	67	83	2,178	2,448
3 States.....	6,970	6,520	63	78	4,393	5,086
United States.....	36,973	36,291	80.4	89.2	29,717	32,373

**WOOL:** Shorn wool production in the United States, as estimated by the Division of Crop and Livestock Estimates, United States Department of Agriculture, increased from 228,109,000 pounds in 1922 to 369,315,000 pounds in 1931, but declined to 342,386,000 pounds this year. Total wool production, including pulled wool, increased from 270,109,000 pounds in 1922 to 435,415,000 pounds in 1931. Short feed supplies and large death losses were accountable for the lighter clip and lighter fleeces this year.

Wool production in Colorado, Wyoming, New Mexico, and the United States:

	SHEEP SHORN			WOOL PRODUCED		WEIGHT OF FLEECE			
	Thousands of head			Thousands of lbs.		Pounds			
	1932	1931	1930	1932	1931	1930	1932	1931	1930
Colorado.....	1,600	1,736	1,660	11,840	13,541	13,446	7.4	7.8	8.1
New Mexico.....	2,525	2,520	2,343	16,412	16,632	16,870	6.5	6.6	7.2
Wyoming.....	3,558	3,600	3,264	31,310	34,560	29,702	8.8	9.6	9.1
Three states.....	7,683	7,856	7,267	59,562	64,733	60,018	7.8	8.2	8.3
U. S.....	44,780	46,401	44,433	343,386	369,315	351,521	7.6	8.0	7.9

Government estimates placed the average annual domestic consumption of wool for the years 1927 to 1931 at 467,000,000 pounds or 7.4 percent greater than the domestic production of 1931. Consumption has declined rapidly in recent months, with that for May but 37 percent of the May, 1931, total, and the smallest for any month in the fourteen years of record. In the first five months this year, consumption was equal to but two-thirds of the five-year average for the period. A sharp upturn in the demand for wool was reported by the National Cooperative Wool Marketing Corporation the forepart of August. Prices for domestic wool which in June, 1928, averaged 38.7 cents per pound, dropped to 7 cents in June this year, the lowest since 1897. At prevailing prices tariff duties confine importations to specialty wools.

**POULTRY AND DAIRY PRODUCTS:** As egg and milk production declined during July and the forepart of August, prices of eggs and butterfat advanced. Number 1 butterfat at Kansas City rose 6 cents per pound from the season's low of 9 cents in mid-July. Eggs are up 4½ cents per dozen from the 10 cents per dozen price paid to country shippers on July 1. Poultry prices remain steady at the lowest levels in recent years.

JULY MOVEMENT OF LIVESTOCK IN THE TENTH DISTRICT

	RECEIPTS				STOCKERS AND FEEDERS				PURCHASED FOR SLAUGHTER			
	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep
Kansas City.....	126,125	20,240	*216,714	102,381	32,011	4,831	1,846	11,194	49,734	11,107	*196,236	80,189
Omaha.....	90,853	5,016	212,566	157,298	12,775	1,414	803	32,532	59,307	3,602	164,029	121,582
St. Joseph.....	28,100	6,171	80,328	66,289	3,961	1,004	582	2,903	19,413	5,013	65,340	62,394
Denver.....	17,770	2,650	46,345	145,333	4,329	691	546	5,714	8,320	1,789	29,746	14,480
Oklahoma City.....	18,034	4,325	24,904	24,042	-----	-----	-----	-----	11,360	3,840	22,144	11,994
Wichita.....	15,978	2,828	43,623	6,130	-----	-----	-----	-----	7,080	1,319,	42,200	5,545
July 1932.....	296,860	41,230	624,480	501,473	53,076	7,940	3,777	52,343	155,214	26,670	519,695	296,184
June 1932.....	281,232	42,375	727,696	612,599	31,621	4,496	4,218	29,057	171,613	30,779	554,859	356,831
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

\*Includes 115,037 hogs shipped direct to packers' yards.

The into-storage season for eggs is nearing its close, with present indications that peak holdings will be the smallest in sixteen years. Production of creamery butter and cheese is reported as smaller than a year ago with imports of cheese lighter and exports heavier.

**Meat Packing**

Operations at meat packing plants in this District, as measured by the number of meat animals purchased for slaughter at the six principal markets plus hogs purchased direct by packers, declined in all departments during July as compared to June. Compared to July last year, there were declines in the numbers of cattle and sheep slaughtered of 16.7 percent and in calves 12.3 percent. More hogs were purchased for slaughter this year than last. Total purchases for each department were substantially under the July average of the past ten years.

The Government report on the number of animals slaughtered under Federal meat inspection in July as compared to a year earlier, discloses declines of 13.1 percent for cattle, 8.9 percent for calves, and 7.2 percent for sheep. Inspected slaughter of swine increased 1.3 percent.

**Cold Storage Holdings**

August 1 United States cold storage holdings of all commodities were substantially smaller than on August 1, 1931, and show the following declines from August 1 five-year average inventories; beef, 39.4; pork, 16.2; lamb and mutton, 57.4; poultry, 24.0; miscellaneous meats, 30.3; lard, 26.5; eggs, 28.7; creamery butter, 18.8; and cheese, 22.1 percent.

The seasonal out-of-storage movement of beef during August was somewhat smaller, whereas, that of pork was considerably larger than a year ago or the five-year average. Stocks of lamb and mutton were slightly larger for the month, whereas, they normally decline. Total holdings of poultry, which increased 3,676,000 pounds last July, declined 5,215,000 pounds this year as compared to an average decrease of 2,066,000 pounds. Holdings of turkeys remain large despite an unusually heavy out-movement for August. The out-movement of miscellaneous meats, although only equal to about one-half of last year's volume, totaled 3,091,000 pounds as compared to a five-year average out-movement of 300,000 pounds.

The seasonal increase in cold storage holdings of butter, cheese, and eggs was somewhat below the five-year average, whereas, that of lard failed to materialize, stocks showing a reduction of 6.7 percent for the month as against a slight normal increase.

Cold storage holdings in the United States, as reported by the United States Department of Agriculture:

	*Aug. 1 1932	July 1 1932	Aug. 1 1931	Aug. 1 5-Yr. Av.
Beef, lbs.....	26,642	29,909	41,055	43,949
Pork, lbs.....	64,3213	724,271	711,811	767,614
Lamb and mutton, lbs.....	1,022	1,010	1,892	2,398
Poultry, lbs.....	31,446	36,661	36,438	41,397
**Turkeys, lbs.....	5,992	7,285	2,777	5,609
Miscellaneous meats, lbs.....	51,654	54,745	69,026	74,158
Lard, lbs.....	121,672	130,363	121,926	165,473
Eggs, cases.....	6,422	6,339	9,504	10,181
Eggs, frozen (case equivalent).....	2,814	2,871	3,277	2,775
Butter, creamery, lbs.....	110,062	84,269	115,121	135,477
Cheese, all varieties, lbs.....	75,944	66,531	89,264	97,542

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

**Petroleum**

Estimated daily average crude oil production in the five oil producing states of this District declined 0.9 percent during July and was the smallest recorded for any month since January, 1924, except September and October last year when Okla-

homa wells were shut in under executive regulatory orders. July gross production which exceeded that for June, because of the additional day, was 16.2 percent smaller than a year ago.

Estimated gross production for the five states and the United States is shown in the following table:

	*July 1932 Barrels	June 1932 Barrels	July 1931 Barrels
Oklahoma.....	12,923,000	12,905,000	16,207,000
Kansas.....	2,988,000	2,736,000	2,887,000
Wyoming.....	1,123,000	1,057,000	1,234,000
Colorado.....	89,000	98,000	134,000
New Mexico.....	1,114,000	1,066,000	1,301,000
Total, five states.....	18,237,000	17,862,000	21,763,000
Total, United States.....	66,902,000	64,835,000	77,961,000

\*Estimated, American Petroleum Institute.

Mid-continent crude oil prices remain unchanged with quotations, on a degree gravity basis, ranging from 76 cents to \$1 per barrel. Aside from a stronger demand and higher prices for furnace oils, prices of refined products were, as a whole, steady.

July field operations, as measured by the number of wells completed during the month and the number of rigs up and wells drilling at the close, although more extensive than one month or one year earlier, show marked declines as compared to July of other years.

**Bituminous Coal**

Contrary to normal tendencies, soft coal production at mines in Tenth District fields declined 7.7 per cent in July. Output was 31 percent smaller than a year ago and, with the exception of April, 1922, the smallest for any month in years. Cumulative production for the year to August 1 was only 13.8 percent below that for the same period last year, but 43.2 percent less than in the first seven months of 1929.

Estimated soft coal production for the Tenth District and the United States:

	*July 1932 Tons	*June 1932 Tons	July 1931 Tons
Colorado.....	187,000	209,000	280,000
Kansas.....	128,000	135,000	187,000
Missouri.....	193,000	172,000	204,000
New Mexico.....	63,000	78,000	100,000
Oklahoma.....	60,000	44,000	123,000
Wyoming.....	185,000	246,000	288,000
Total, six states.....	816,000	884,000	1,182,000
Total, United States.....	17,830,000	17,749,000	29,790,000

\*Estimated from the weekly reports of the United States Bureau of Mines.

**Zinc and Lead**

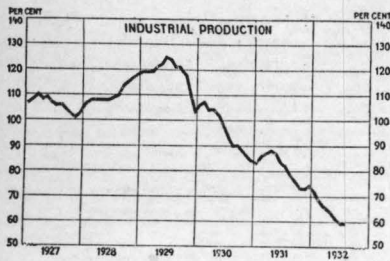
Shipments of zinc ore and lead ore from the Tri-state district during August, although establishing new low records for the present century, exceeded production. Shipments of zinc ore during the four weeks' period ended July 30 were 56.5 percent smaller than in the preceding four weeks and 54.4 percent smaller than for the like period last year. Lead ore shipments declined 58.2 percent for the month and 73.5 percent as compared to a year ago.

Shipments of zinc ore and lead ore from mines in Missouri, Kansas, and Oklahoma:

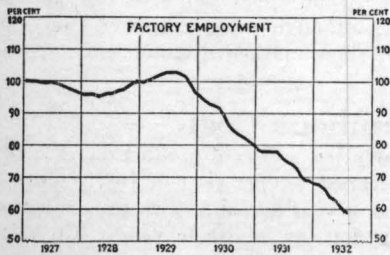
	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	4,731	\$ 76,442	306	\$ 7,844
Kansas.....	803	14,876	186	4,740
Missouri.....	108	1,920	43	1,089
4 Wks. ended July 30, 1932.....	5,642	\$ 93,238	535	\$ 13,673
4 Wks. ended July 2, 1932.....	12,957	255,339	1,279	34,973
4 Wks. ended Aug. 1, 1931.....	12,360	284,280	2,018	89,118

## Business Conditions in the United States

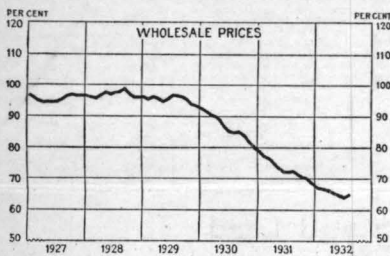
By the Federal Reserve Board



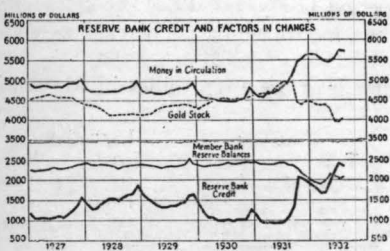
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure, July, 59.



Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average=100.) Latest figure, July, 58.3.



Index of United States Bureau of Labor Statistics (1926=100). Latest figure, July, 64.5.



Monthly averages of daily figures. Latest figures are averages of first 21 days in August.

Volume of industrial output declined seasonally from June to July while factory employment and payrolls decreased by more than the usual seasonal amount. In July the general level of wholesale prices was about one percent higher than in June, and in the first half of August prices of many leading commodities advanced considerably. Reserve bank credit declined somewhat in the four weeks ending August 17, reflecting chiefly a substantial growth in the country's stock of monetary gold.

**PRODUCTION AND EMPLOYMENT:** Industrial production declined by about the usual seasonal amount in July and the Board's index, which is adjusted to allow for the usual seasonal variations, remained unchanged at 59 percent of the 1923-1925 average. Activity decreased seasonally in the steel industry; by slightly more than the usual seasonal amount in the lumber, cement, newsprint, and meat packing industries; and by substantially more than the seasonal amount in the automobile and lead industries. Output of shoes, which ordinarily increases in July, declined. At woolen mills activity increased by a substantial amount and at silk mills there was a seasonal increase in production. Activity at cotton mills decreased, as is usual in July, while sales of cotton cloth by manufacturers increased considerably. Output of coal increased from the low level prevailing in June.

Reports on the volume of factory employment and payrolls showed substantial declines from the middle of June to the middle of July. In the machinery, women's clothing and hosiery industries, and at railroad repair shops, the number employed decreased by considerably more than the usual seasonal amount and at shoe factories the increase reported was smaller than usual. In the woolen goods industry a substantial increase in employment was reported. Value of building contracts awarded, as reported by the F. W. Dodge Corporation, continued at a low level during July and the first half of August. Prospects for many leading crops, including corn, spring wheat, potatoes, and tobacco, were reduced somewhat during July, according to the Department of Agriculture. The estimated total wheat crop, based on August 1 conditions, is 723,000,000 bushels, a decrease of about 175,000,000 bushels from last year's large crop, reflecting a reduction of 350,000,000 bushels in the winter wheat crop, offset in part by an estimated increase of 175,000,000 bushels in the spring wheat crop. The first official cotton estimate as of August 1, was 11,300,000 bales, as compared with crops of 17,100,000 bales last season, and 13,900,000 bales the year before. The indicated production of corn is 2,820,000,000 bushels, substantially larger than the crops of the last two seasons and slightly larger than the five-year average.

**DISTRIBUTION:** Volume of freight traffic decreased somewhat from June to July, and value of department store sales was substantially reduced.

**WHOLESALE PRICES:** The general level of wholesale prices, as measured by the monthly index of the Bureau of Labor Statistics advanced from 63.9 percent of the 1926 average in June to 64.5 percent in July.

Between the middle of July and the third week of August prices of livestock and meats which had previously advanced considerably, declined somewhat, while price increases were reported for many other leading commodities, including wheat, textile raw materials and finished products, nonferrous metals, hides, sugar, coffee, and rubber.

**BANK CREDIT:** The total volume of reserve bank credit outstanding, which had increased by \$650,000,000 between the end of March and the third week of July, declined by \$95,000,000 in the four weeks to August 17, and in the same period member banks increased their reserve balances by \$45,000,000. These changes reflected chiefly the addition of \$95,000,000 to the country's stock of monetary gold and an inflow to the banks of \$30,000,000 in currency.

Total loans and investments of reporting member banks in leading cities were \$250,000,000 larger on August 17 than four weeks earlier. Total loans of these banks continued to decline throughout the period, while their investments increased substantially, reflecting an increase in holdings of United States Government securities in connection with treasury financing operations. Time deposits increased by \$95,000,000 and net demand deposits by \$85,000,000. Money rates in the open market remained at low levels. Successive reductions brought the prevailing rates on prime commercial paper to a range of 2-2¼ percent in the first part of August.