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

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EXPERIENCING the first improvement in nearly four years, trade at both wholesale and retail featured the advance in Tenth District business conditions in May. The rise in agricultural commodity prices, which was so abrupt in April, although continuing in May, was less rapid.

Returning confidence is also indicated by increases in savings, net demand, and time deposits at banks during the month, and for the second consecutive month loans and discounts at fifty-three selected member banks increased. Business insolvencies were less numerous than for any May since 1923 and liabilities the smallest since 1929.

Weather conditions the forepart of June have been ideal for harvest and haying but injurious to growing crops, and generous rains are needed immediately. Winter wheat production will be smaller than for any year since 1904, with the outlook for other spring grains poor. A fair hay crop is in prospect and corn, although late, has not been injured seriously as yet.

May dollar sales of five representative wholesale lines combined were 19.5 per cent larger than in April, the first increase for the month in four years and the largest in fourteen years of record. They were also larger than a year ago, May being the first month in about four years to show an increase over the corresponding month of the preceding year. Total dollar sales of thirty-two reporting department stores were also larger in May than in April this year or May last year. The 4.6 per cent increase over April was the first since 1929 and the increase of 0.8 per cent over May, 1932, was the first for any month since May, 1930.

Prices of all species of livestock and most classes of grain were higher for the month. Of the several classes of livestock, cattle alone sold under a year ago. Wheat prices held their own, with producers receiving 60 cents per bushel for the new crop as against 25 and 30 cents a year ago. Flour closed the month unchanged and millfeeds were somewhat lower. Butterfat was steady but poultry and egg prices declined to the lowest levels of record. Wool and hides were active at higher levels. The Department of Agriculture's index of farm purchasing power advanced 9 points between April 15 and May 15 to 62 per cent of pre-war, or 14 points above the low of February 15. Zinc ore and lead ore prices improved and are approximately double those in effect this time last year. Crude oil prices, which were reduced to a flat 25 cents per barrel the first week in May, were re-established at the previous per gravity schedule ranging from 28 to 52 cents per barrel June 17.

Livestock and grain moved to market in more nearly normal volume, with receipts of all species of livestock, except hogs, and all classes of grain, except kafir, at the principal market centers of the District somewhat heavier than a year ago.

BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT
Percentages of Increase, or Decrease (—), for May 1933 over April 1933 and May 1932 and for the first five months of 1933 over the like period in 1932.

	May 1933 Compared to		5 Mos. 1933 Compared to 5 Mos. 1932
	Apr. 1933	May 1932	
Banking			
Payments by check.....	— 0.1	—10.3	—17.6
Federal Reserve Bank clearings.....	7.1	1.7	—11.4
Business failures, number.....	—24.0	—29.8	—28.8
Business failures, liabilities.....	7.8	—47.3	—55.9
Loans, 53 member banks.....	1.0	—16.5	.....
Investments, 53 member banks.....	2.3	7.9	.....
Net demand deposits, 53 member banks.....	4.7	0.3	.....
Time deposits, 53 member banks.....	0.6	— 8.6	.....
Savings deposits, 44 selected banks.....	0.6	—10.5	.....
Savings accounts, 44 selected banks.....	0.03	— 5.3	.....
Distribution			
Wholesalers' sales, 5 lines combined....	19.5	7.0	—10.3
Retailers' sales, 32 department stores..	4.6	0.8	—14.7
Lumber sales, 157 retail yards.....	23.7	43.7	6.9
Life insurance, written.....	10.6	— 2.0	—15.9
Construction			
Building contracts awarded, value.....	102.0	—31.8	—41.8
Residential contracts awarded, value..	19.6	5.3	—24.8
Building permits in 17 cities, value....	18.4	—35.8	—43.9
Production			
Flour.....	— 7.7	10.7	5.4
Crude petroleum.....	7.5	— 0.3	Even
Soft coal.....	4.5	15.9	—10.7
Zinc ore (shipped) Tristate District....	—15.8	5.6	44.1
Lead ore (shipped) Tristate District....	26.5	132.1	— 5.8
Cement.....	29.6	11.5	1.3
Grain receipts, 5 markets			
Wheat.....	112.5	7.5	—47.9
Corn.....	58.0	328.2	104.4
Oats.....	— 9.6	159.8	35.4
Rye.....	9.7	312.4	288.4
Barley.....	117.5	150.6	—30.7
Kafir.....	—21.8	—42.6	—55.9
Livestock receipts, 6 markets			
Cattle.....	20.6	13.5	— 4.4
Calves.....	19.9	29.9	17.1
Hogs.....	14.2	— 8.0	—13.6
Sheep.....	—10.0	2.8	—13.9
Horses and mules.....	—28.2	27.4	1.3
Meat packing, 6 markets			
Cattle.....	26.6	10.2	— 4.5
Calves.....	24.2	15.4	— 2.5
Hogs.....	13.3	— 6.8	— 8.6
Sheep.....	8.8	1.0	—14.8

Stocker and feeder livestock were in good demand, supplies liberal, and the countryward movement considerably heavier than that of May, 1932.

Output of flour at Tenth District mills was somewhat lighter than the heavy April volume but exceeded that of May, 1932. Shipments of zinc ore declined during the month and those of lead ore increased, with shipments of both classes running ahead of a year ago. Production of coal and cement was larger

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than one month or one year earlier, and the flow of crude oil, although showing an increase for the month, was approximately the same as last year. Meat packing establishments were more active than a month ago and, excluding swine, packers purchased more meat animals than a year ago. Building activity was at but a fraction of its normal rate.

Banking and Credit

MEMBER BANK OPERATIONS: Duplicating the reverse tendency disclosed by their report of May 10 compared to April 12, fifty-three member banks in selected cities of the District increased their loans and discounts 1 per cent between May 10 and June 14. This increase was entirely in "all other" loans, as loans secured by stocks and bonds were virtually unchanged. Total loans as of June 14 were 16.5 per cent below the total as of June 15, 1932, with the decrease in loans on stocks and bonds amounting to 23.3 per cent and that of "all other" loans to 14.9 per cent.

Improved confidence, accompanied by a return flow of currency to these banks, was also evidenced by increases of 4.7 per cent in net demand deposits and 0.6 per cent in time deposits during the five weeks' period. Net demand deposits as of June 14 were 0.3 per cent larger than fifty-two weeks earlier, but time deposits were 8.6 per cent smaller.

The banks disposed of one million dollars in United States Government securities during the five weeks ended June 14, but, owing to purchases of seven million dollars of other bonds, stocks, and securities, total investment holdings were enlarged 2.3 per cent. Since June 15, 1932, these banks have increased their total investment holdings 7.9 per cent, the decrease of 5.9 per cent in other bonds, stocks, and securities being more than offset by a 20.1 per cent increase in holdings of United States securities.

The accompanying table shows the principal items contained in the condition statements of the fifty-three reporting member banks for the three dates of comparison:

	June 14, 1933	May 10, 1933	June 15, 1932
Loans and investments—total.....	\$484,000,000	\$476,000,000	\$506,000,000
Loans and discounts—total.....	212,000,000	210,000,000	254,000,000
Secured by stocks and bonds.....	58,000,000	58,000,000	73,000,000
All other loans and discounts.....	154,000,000	152,000,000	181,000,000
Investments—total.....	272,000,000	266,000,000	252,000,000
U. S. securities.....	161,000,000	162,000,000	134,000,000
Other securities.....	111,000,000	104,000,000	118,000,000
Reserve with F. R. bank.....	49,000,000	46,000,000	45,000,000
Net demand deposits.....	334,000,000	319,000,000	333,000,000
Time deposits.....	160,000,000	159,000,000	175,000,000
Government deposits.....	1,000,000	1,000,000	9,000,000

RESERVE BANK OPERATIONS: Member banks have since March steadily reduced their borrowings from this bank and branches, and total holdings of bills rediscounted as of June 14 were 18.6 per cent smaller than five weeks earlier and the lowest of the year. Reductions since June 15, 1932, have amounted to \$14,119,510. Holdings of bills purchased also showed substantial declines for the five and fifty-two week periods.

The bank made additional purchases of United States securities, and aggregate holdings as of June 14 were \$3,338,000 larger than on May 10 and \$10,748,500 larger than a year ago.

Federal reserve note circulation declined \$5,395,850 to \$111,954,275 in five weeks, but issuance of the new Federal reserve bank notes was expanded \$428,500 to \$870,000. A year ago there were no Federal reserve bank notes in circulation and Federal reserve note circulation totaled \$81,347,725.

Principal resource and liability items, contained in the weekly condition statements of the Federal Reserve Bank of Kansas City and branches, for the three dates of comparison:

	June 14, 1933	May 10, 1933	June 15, 1932
Gold reserves.....	\$121,075,748	\$121,263,895	\$ 76,513,454
Other cash.....	11,386,570	11,129,706	9,202,324
Bills discounted.....	11,149,069	13,701,845	25,268,579
Bills purchased.....	283,391	1,883,095	891,354
U. S. securities.....	60,558,100	57,220,100	49,809,600
Total bills and securities.....	71,990,560	72,805,040	75,969,533
Total resources.....	230,677,623	229,640,048	188,377,505
F. R. notes in circulation.....	111,954,275	117,350,125	81,347,725
F. R. bank notes in circulation.....	870,000	441,500	.....
Member banks' reserve deposits.....	78,006,712	73,863,302	71,464,330

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

Bank Debits

The volume of debits to individual accounts for the four weeks ended May 31, as reported by banks in twenty-nine Tenth District cities, totaled \$639,153,000 as against \$639,599,000 for the four weeks ended May 3 this year and \$712,399,000 for the four weeks ended June 1 last year. Payments by check for the five months of the current year totaled \$3,449,813,000 or 17.6 per cent less than for the same period in 1932. The totals by cities follow:

	FOUR WEEKS ENDED		Per cent Change
	May 31, 1933	June 1, 1932	
Albuquerque, N. M.....	\$ 4,897,000	\$ 7,192,000	-31.9
Atchison, Kans.....	2,435,000	2,504,000	-2.8
Bartlesville, Okla.....	15,662,000	14,046,000	11.5
Casper, Wyo.....	3,278,000	4,795,000	-31.6
Cheyenne, Wyo.....	3,779,000	4,222,000	-10.5
Colorado Springs, Colo.....	7,986,000	8,850,000	-9.8
Denver, Colo.....	81,425,000	93,728,000	-13.1
Den, Okla.....	6,419,000	5,925,000	8.3
Fremont, Nebr.....	1,413,000	2,219,000	-36.3
Grand Junction, Colo.....	987,000	1,680,000	-41.3
Guthrie, Okla.....	962,000	894,000	7.6
Hutchinson, Kans.....	8,594,000	7,922,000	8.5
Independence, Kans.....	1,987,000	4,519,000	-56.0
Joplin, Mo.....	5,436,000	5,107,000	6.4
Kansas City, Kans.....	6,875,000	9,261,000	-25.8
Kansas City, Mo.....	196,460,000	217,827,000	-9.8
Lawrence, Kans.....	2,221,000	2,641,000	-15.9
Lincoln, Nebr.....	16,432,000	20,191,000	-18.6
Muskogee, Okla.....	5,014,000	5,148,000	-2.6
Oklahoma City, Okla.....	49,105,000	53,105,000	-7.5
Okmulgee, Okla.....	1,728,000	1,831,000	-5.6
Omaha, Nebr.....	94,840,000	99,098,000	-4.3
Pittsburg, Kans.....	2,433,000	2,759,000	-11.8
Pueblo, Colo.....	9,043,000	11,118,000	-18.7
Salina, Kans.....	5,267,000	5,310,000	-0.8
St. Joseph, Mo.....	19,851,000	20,406,000	-2.7
Topeka, Kans.....	8,819,000	9,193,000	-4.1
Tulsa, Okla.....	52,280,000	63,257,000	-17.4
Wichita, Kans.....	23,525,000	27,651,000	-14.9
Total 29 cities, 4 weeks.....	\$ 639,153,000	\$ 712,399,000	-10.3
Total 29 cities, 22 weeks.....	3,499,813,000	4,246,260,000	-17.6

Federal Reserve Bank Clearings

Check collections through this bank and branches at Omaha, Denver, and Oklahoma City in May were 7 per cent larger, both as to number and the dollar amount of items handled than in April. Comparisons with May, 1932, reveal a decrease of 9 per cent in the number of items handled, whereas, the dollar amount was 1.7 per cent greater.

Totals for May, April, and the five months:

	ITEMS		AMOUNT	
	1933	1932	1933	1932
May.....	4,213,096	4,631,099	\$ 524,805,000	\$ 516,134,000
April.....	3,936,101	4,824,096	490,067,000	544,079,000
Five months.....	18,650,471	23,237,633	2,384,584,000	2,691,829,000

RETAIL TRADE AT 32 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED		
	May 1933	5 Mos. 1933	May 31, 1933		May		5 Months		May 31, 1933		May 1933		
	Compared to May 1932	Compared to 5 Mos. 1932	Apr. 30, 1933	May 31, 1932	1933	1932	1933	1932	Apr. 30, 1933	May 31, 1932	Apr. 1933	May 1932	
Kansas City.....	4	-4.5	-17.3	-2.2	-18.8	.20	.16	.85	.83	3.2	-5.8	0.9	-14.2
Denver.....	4	11.8	-11.3	-1.3	-20.5	.30	.21	1.22	1.07	3.9	-6.6	12.6	-1.3
Oklahoma City....	3	-3.1	-17.3	3.6	-29.8	.32	.22	1.46	1.16	5.0	-11.9	6.1	-17.6
Tulsa.....	3	12.1	-4.4	5.6	-10.4	.38	.28	2.08	1.78	2.5	-2.9	3.5	-8.7
Wichita.....	3	0.4	-16.3	1.1	-41.9	.32	.21	1.23	.98	-1.6	-27.8	0.9	-16.4
Other cities.....	15	-4.6	-16.7	2.1	-15.4	.29	.25	1.15	1.13	5.2	-11.6	9.3	-10.9
Total.....	32	0.8	-14.7	0.2	-20.2	.27	.21	1.13	1.04	3.9	-10.0	7.4	-9.8

NOTE: Percentage of collections in May on accounts April 30, all stores reporting 35.0. Collections same month last year 33.7.

Savings

An increase, the first since last November, of 0.6 per cent in savings deposits and also an increase of 0.03 per cent in the number of savings accounts during May was reported by forty-four selected banks in leading cities of the Tenth District. Total savings deposits as of June 1 this year were, however, 10.5 per cent smaller and the number of depositors 5.3 per cent less than on June 1, 1932.

Savings deposits and savings accounts, as reported by the forty-four banks, for the three dates of comparison:

	Savings Accounts	Savings Deposits
June 1, 1933.....	358,962	\$ 97,457,472
May 1, 1933.....	358,849	96,847,340
June 1, 1932.....	379,041	108,931,053

Business Failures

A further improvement in business mortality was recorded in May. This District had 92 defaults, or 29 less than a month ago and 39 less than a year ago. This was the lowest number for any May in ten years and consisted of 10 manufacturing, 77 trading, and 5 other commercial failures. The amount of liabilities involved, although 7.8 per cent larger than in April and the largest since January, was the smallest May total since 1929 and equivalent to 71.9 per cent of the ten-year average for May.

The number of insolvencies in the United States was the smallest for any month in four years, with liabilities the smallest since September, 1931, and for any May since 1929.

Business failures as reported by Dun and Bradstreet, Inc.:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
May 1933.....	92	\$ 1,595,439	1,909	\$ 47,971,573
April 1933.....	121	1,479,485	1,921	51,097,384
May 1932.....	131	3,027,577	2,788	83,763,521
Five months 1933.....	508	7,832,737	11,075	292,245,839
Five months 1932.....	713	17,750,022	14,745	460,352,836

Trade

Reports from both wholesale and retail firms indicate a decided improvement in general trade conditions in this District during May. Dollar sales of all five reporting wholesale lines were substantially above the April volume, with the total for the five lines combined showing an increase of 19.5 per cent, the first increase in five years and the largest in fourteen years

of record. Compared to May, 1931, sales of dry goods increased 1.8, groceries 7.2, hardware 14.3, and furniture 25.7 per cent, with those of drugs showing a loss of but 0.7 per cent. Sales of the five lines combined were 7.0 per cent larger than a year ago, the first increase shown for any month over the corresponding month of the preceding year since September, 1929, compared to September, 1928, and the largest since April, 1929, compared to April, 1928. Wholesalers of dry goods and furniture reduced their inventories 5.9 and 3.0 per cent, respectively, in May and stocks of groceries were 0.9, furniture 3.0, and drugs 0.7 per cent larger on May 31 than on April 30. Stock reductions since May 31, 1932, ranging from 12.1 per cent for groceries to 27.1 per cent in furniture were reported by the various lines.

For the first time since 1929 May sales of merchandise in dollars, at thirty-two reporting department stores in the District, exceeded the April volume, and not since May, 1930, have sales for any month shown an increase over the like month of the preceding year. May sales were 4.6 per cent larger than in April and 0.8 per cent larger than in May, 1932. Cumulative sales for the year to June 1 were 14.7 per cent smaller than a year ago.

Inventory changes for the month were slight but stocks on hand May 31 this year were 20.2 per cent lighter than on May 31, 1932. Collections in May totaled 35 per cent of amounts outstanding April 30 as compared to 34 per cent in April and 33.7 per cent in May, 1932.

Grain Marketing

Higher prices were an effective stimulant to the marketing of all classes of grain, except kafir, in May. The month's receipts of wheat, corn, oats, rye, and barley, at the five principal markets of this District, were considerably larger than the totals for April this year or May last year. Arrivals of wheat were the heaviest for any month since September and, excluding May, 1931, the largest for that month since 1921. Marketings of corn were the largest for any month since April, 1931, and of rye since October, 1930, with the May total for both the largest since 1922. Offerings of oats were lighter than a month ago but the heaviest for any May in three years. Kafir was in light supply, showing a decrease of 21.8 per cent as compared to April and 42.6 per cent as compared to May, 1932.

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Reporting Stores	SALES		OUTSTANDINGS		AMOUNTS COLLECTED		STOCKS		
	May 1933 compared to Apr. 1933	May 1932	May 31, 1933 compared to Apr. 30, 1933	May 31, 1932	May 1933 compared to May 1932	May 1933 compared to May 1932	May 31, 1933 compared to Apr. 30, 1933	May 31, 1932	
Dry goods.....	6	25.0	1.8	0.3	-15.3	15.5	-3.6	-5.9	-16.8
Groceries.....	5	15.6	7.2	3.7	-1.1	15.5	19.2	0.9	-12.1
Hardware.....	9	25.1	14.3	5.6	-3.4	32.5	2.7	3.0	-15.4
Furniture.....	5	42.1	25.7	7.5	-11.6	43.4	-4.3	-3.0	-27.1
Drugs.....	6	9.2	-0.7	1.0	-6.5	9.4	-6.8	0.7	-18.2

Receipts of six classes of grain at the five markets:

	Wheat Bushels	Corn Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Kafir Bushels
Hutchinson.....	1,181,250	.....	.....	.....	.....	19,500
Kansas City.....	5,660,800	2,167,500	230,000	28,500	27,200	116,200
Omaha.....	1,203,200	2,318,400	348,000	74,200	68,800	.....
St. Joseph.....	305,600	1,185,000	388,000	.....	1,750	.....
Wichita.....	1,440,000	27,300	3,000	.....	.....	.....
May 1933.....	9,790,850	5,698,200	969,000	102,700	97,750	135,700
April 1933.....	4,608,450	3,607,100	1,071,500	93,600	44,950	173,500
May 1932.....	9,111,150	1,330,600	373,000	24,900	39,000	236,400
5 Mos. 1933.....	31,708,900	15,534,650	4,231,500	317,700	247,850	680,300
5 Mos. 1932.....	60,808,500	7,601,850	3,125,500	81,800	357,650	1,542,400

Cash wheat at Kansas City opened and closed the month at 69 cents per bushel for number 1 hard and dark. Number 2 mixed corn advanced 5, number 2 oats 1, and number 2 kafir 10 cents per bushel in May to close at 40½, 25½ and 82 cents per bushel, respectively. Rye and barley failed to improve their positions, opening and closing at 49 and 31 cents per bushel. Advances the first three weeks of June carried wheat to 83¼ cents, corn 44½, oats 36, rye 67, barley 40, and kafir \$1.03 cents per bushel at Kansas City on June 24.

The 1933 low on wheat was 41, corn 21, oats 17, rye 31½, barley 22½, and kafir 42 cents per bushel. With marketing costs practically stationary, any advance in grain prices goes to the producer and advances from the year's lows have increased farm prices of most grains 100 per cent or more, but they are still substantially below pre-war or post-war averages. In May wheat sold at the best level since January, 1932, and corn at the highest price since December, 1931. Closing prices in May, 1932, were: wheat 52½; corn 30½; oats 23; rye 42; barley 33; and kafir 55 cents per bushel.

New wheat is now arriving at terminal markets in limited quantities and, as a considerable portion is running high in protein, there is a tendency to lower premiums.

Flour Milling

The May output of flour at Tenth District mills was the heaviest for that month in three years and 10.7 per cent larger than a year ago. Compared to April production declined 7.7 per cent, whereas, it generally increases about 8 per cent. The unfavorable comparison was due primarily to the unusually heavy April volume.

Grindings by these mills for the eleven months of the old wheat year are estimated at 22,046,892 barrels compared with 22,615,956 barrels during the like part of the 1931-32 wheat year.

Output for the three periods of comparison as estimated from the weekly reports of southwestern mills to the Northwestern Miller:

	May 1933 Barrels	April 1933 Barrels	May 1932 Barrels
Atchison.....	134,135	139,323	132,831
Kansas City.....	583,564	560,781	543,013
Omaha.....	111,830	112,933	66,671
Salina.....	125,169	197,184	150,183
Wichita.....	165,991	205,897	188,626
Outside.....	951,866	1,028,337	790,289
Total.....	2,072,555	2,244,455	1,871,613
*United States.....	5,802,085	6,011,894	5,224,780

*Represents about two-thirds of the total output in the United States.

Flour business was much better than usual the first three weeks of May. Most bookings were for small lots for shipment well into the new crop year and demand was general, with all classes buying freely. With bakers and jobbers generally well supplied with flour for their immediate needs, and as

a result of the recent heavy bookings, sales slumped naturally the closing week of the month. Mills experienced some difficulty in securing shipping instructions on old contracts. Export trade was inactive and the domestic market was offered a substantial quantity of resale flour toward the end of the month. Prices fluctuated narrowly throughout the month and closed practically unchanged.

Crops

Present weather conditions are ideal for the harvesting of winter wheat and other small grains and for haying, but growing crops in virtually all parts of the District are in immediate need of generous rains. Wheat, oats, pastures, potatoes, small fruits, and gardens have been damaged severely by the excessive temperatures and dry weather, and corn is beginning to suffer.

Government estimates of winter wheat production underwent slight changes between May 1 and June 1 and the June 1 condition of 64 per cent for the nation, with abandonment the highest of record, continues to forecast the smallest crop since 1904. Harvest which became general by the third week of June, is making rapid progress.

United States Department of Agriculture estimates of winter wheat production, in Tenth District states and the United States:

	PER CENT CONDITION			ESTIMATED PRODUCTION		
	June 1 1933	May 1 1933	June 1 1932	June 1, 1933 Bushels	May 1, 1933 Bushels	Final 1932 Bushels
Colorado.....	37	40	42	2,104,000	2,104,000	4,383,000
Kansas.....	50	55	50	56,696,000	58,486,000	106,398,000
Missouri.....	74	76	57	16,016,000	16,016,000	14,851,000
Nebraska.....	74	70	51	27,310,000	24,276,000	24,600,000
New Mexico.....	25	44	49	990,000	990,000	1,320,000
Oklahoma.....	51	55	54	25,432,000	23,936,000	43,626,000
Wyoming.....	50	65	65	476,000	578,000	1,100,000
Seven states.....	57.8	70.8	57.8	129,024,000	126,386,000	196,278,000
United States.....	64.0	66.7	64.7	341,017,000	337,485,000	462,151,000

Hot, dry weather in June caught wheat in eastern and northern parts of the District in the milk, or critical stage of development, causing premature ripening and shriveling. Oats, rye, and barley have also been adversely affected, with many fields being cut for hay or pastured.

Corn planting, which was delayed somewhat in May by frequent rains and wet fields, is virtually completed and, although all areas are needing moisture, corn is holding up well despite the dry weather. Fields are, on the whole, well cultivated and clean.

The first cutting of alfalfa is nearing completion, with that of clover and other grasses commencing. The condition of cotton in Oklahoma and New Mexico is fair and chopping is underway. Digging of potatoes in the Kaw Valley of Kansas is expected to begin about July 1, or a week later than last year. Production, based on the June 1 condition, is estimated at 1,764,000 bushels, or 520,000 bushels less than a year ago. Acreage was reduced 18 per cent this year, with planting somewhat later than last year. Planting of potatoes in the higher sections of northwestern Colorado has commenced.

A 25 per cent increase is estimated in the sugar beet acreage of Colorado, Nebraska, Wyoming, Montana, and western Kansas, and the beets are now being thinned. The Ozark strawberry crop has been marketed at unsatisfactory prices.

Regarding June 1 crop conditions in their respective states, the State Boards of Agriculture commented in part as follows:

COLORADO: "Crop prospects improved materially during May, but June 1 condition was generally below average. Spring wheat, oats, barley, and apples show promise of larger production than last year, while the condi-

tion of all other crops is below that of a year ago. Above normal precipitation during late April and May broke the long drouth in eastern Colorado and supplied ample soil moisture for seeding spring crops. The irrigation water supply in all areas is generally ample except in the Arkansas valley where a shortage of water is in prospect again this season. A severe wind storm May 22nd swept the entire state, causing considerable damage to crops particularly in eastern counties. Farm work continues from one to two weeks late and all plant growth has been delayed because of cool weather."

KANSAS: "Soil moisture is inadequate in the western two-thirds of the state and barely sufficient for current needs in the eastern third. The condition of spring sown small grains is below average and yield prospects have declined from the effect of high early June temperatures. Rye production will be small. Hay crops, both tame and wild, are rated below average. All crops of tree fruits will be short again this year, but the apple crop will be larger than the very short crop of 1932. Improvement in winter wheat, resulting from May rains, was offset by the adverse effect of excessive early June temperatures. Abandonment may exceed earlier expectations in central, southcentral, and some western counties because of dry weather, high temperatures, and hail damage."

MISSOURI: "During June, Missouri wheat lost in appearance consistently everywhere. Chinch bugs are more prevalent than in recent years. Hay of all kinds is the most promising since 1929 and shows the effects of rain shortage in the early spring for the northwestern counties, and moisture excesses of the southern sections. Pastures during May improved 13 points, rising 75 per cent to 88 per cent for June, which is the best pasture prospect for any month since July, 1929. Grazing is good in all sections of the state. Fruit prospects are much better than in 1932 but below average."

NEBRASKA: "The general crop outlook in Nebraska is not good. Much of the wheat has already been lost. Moisture conditions in the western two-thirds of the state have been excellent but the eastern third of the state has been in need of additional moisture for two months. Corn and most of the small grain crops got off to a slow start and weather conditions since June first, especially in the eastern half of the state have been extremely unfavorable. Small grains in the eastern third of the state have suffered considerable injury and the final outcome will depend to a large extent on weather in the immediate future."

"The condition of fruit crops are as follows: apples 69 per cent, peaches 5 per cent, pears 50 per cent, and cherries 50 per cent. In general, fruits suffered injury from extremely low temperatures late in the winter which followed a period of relatively warm weather."

"Grass is excellent in western and southwestern Nebraska. It is very good throughout central sections but poor in eastern counties, particularly the northeastern section. Stands of alfalfa were thinned by winterkill in western Nebraska and drouth has reduced the condition in northeastern counties. Wild hay is generally very promising in all sections except east central and northeastern sections."

NEW MEXICO: "The June 1st condition of New Mexico crops is the lowest in many years. The weather all spring up to the middle of May was below normal temperatures but the latter half of May almost record maximum temperatures have been reached and lack of rainfall and winds have left the soil too dry for the proper preparation for crops. Lack of moisture and high winds have been destructive to this year's wheat crop. All hay crops are beginning this year's crop year in below the average condition and the first cutting of alfalfa hay has been short due to late cool spring. Fruit prospects are the poorest in years. With few exceptions, about all fruit producing localities report almost a failure for apples, pears, and peaches."

OKLAHOMA: "High winds in May rapidly depleted soil moisture and sand storms blew out and covered up many acres of crops. Since June 1 weather has been hot and dry and practically all areas of the state are urgently in need of rain. Dry weather and sand storms during May were detrimental to tame hay in the western third of the state. The first cutting of alfalfa was unusually light in those areas but good in other sections. Dry weather during May greatly lowered prospects for summer grass, particularly in the western and northwestern counties; grass is excellent in the eastern counties. Severe winter weather resulted in a near failure of all fruits except grapes, apples, and cherries."

WYOMING: "Crops on June 1 were generally not up to normal. Early dry conditions and cool, wet weather immediately following delayed planting and the early sown crops are from one to two weeks late. The abundant supply of moisture and warm weather the last week in May, however, resulted in rapid growth and present growing conditions are very promising. The tame hay crops in Wyoming are generally in a below normal condition because of the cool, late spring and the damage from the adverse winter conditions which resulted in heavy winterkill. The abnormal supply of moisture through all localities promises a good supply of wild hay."

Grasshoppers are reported hatching out in menacing numbers in scattered sections of northcentral Nebraska, Kansas, and Oklahoma, with few farmers financially able or willing to purchase poison bait to combat them. State funds are being employed in Nebraska to fight the pest.

To supply feed for the drouth stricken areas of western Kansas, sudan grass, feterita, and early maturing varieties of sweet sorghum and kafir are being recommended by agronomists. These crops may be planted as late as July, provided moisture is received in the meantime.

Livestock

Higher livestock values, delayed marketing, and a less favorable feeding ratio, due to a more rapid rise in grain prices, were the chief incentives to heavier marketings of livestock in May. Arrivals of cattle and calves at the six principal market centers of the District were the largest for any May since 1929 and about equal to the ten-year average numbers. Receipts of sheep declined 10 per cent as compared to April, but, excluding May, 1931, the May run was the heaviest in years. Swine, including hogs shipped direct to packers' yards, were in about normal supply although marketings were 8 per cent lighter than a year ago. Receipts of horses and mules totaled 6,223 head in May, 8,669 in April, and 4,883 head in May, 1932.

Disregarding more liberal supplies, the demand for livestock improved in May and prices of all classes advanced. Cattle sold off somewhat at the close but advanced 25 to 75 cents per hundredweight, and hogs were \$1 and sheep and lambs 50 cents to \$1 higher for the month. The Kansas City top of \$7 for cattle was 60 cents under a year ago and the highest since November. Best hogs reached \$4.90, or within 10 cents of the 1932 top made in July and selling \$1.45 above the May, 1932, price. At \$7.65 spring lambs were the highest since April, 1932, and 60 cents higher than in May last year.

The demand for feeder lambs and stocker and feeder cattle was brisk at higher prices. Supplies of the former were moderate and of the latter liberal, and offerings were readily absorbed. Countryward shipments of calves from four markets were the largest since January and for any May in recent years, and those of cattle and sheep the largest since December.

RANGES AND PASTURES: The June 1 condition of cattle and calves on western ranges was reported by the Federal Division of Crop and Livestock Estimates at 84 per cent of normal, compared with 81 per cent on May 1 and a ten-year average of 89.5 per cent. Sheep and lambs are in only fair condition, with a June 1 condition of 83 per cent of normal, the lowest in the eleven years of record compared with a ten-year average of 92.7 per cent. Range feed is late but fairly good. Winter and spring losses of cattle and calves have been light except in a few localities and a fair to good calf crop is in prospect. Losses of sheep and lambs have been heavy, particularly in the northern areas. Trading in both cattle and sheep has been limited.

The Secretary of Agriculture recently announced reductions from the 1931 schedules of grazing fees on public lands in eleven western states, of 54 per cent for sheep and lambs and 37.6 per cent for cattle. This reduction compares with a flat 50 per cent for both sheep and cattle that was in effect last year. Hereafter fees will be on a sliding scale depending on livestock values.

Shearing is well advanced and wool prices increased further in May with the bulk of sales reported at 19 to 20 cents per pound, or 11 cents above last year's average price. Wool

buyers are active. Hide prices also made additional gains in May with country run green salted hides now quoted at $5\frac{1}{2}$ to $7\frac{1}{2}$ cents per pound as against the 1932 low of $2\frac{1}{2}$ cents.

According to the Department of Agriculture the spring movement of cattle into the Blue Stem pastures of Kansas and the Osage pastures of Oklahoma was about 7 per cent larger than last spring and 5 per cent larger than two years ago. Receipts from January 1 to June 1 totaled about 315,000 head as against a five-year average of 356,000 head. The early movement was light and the May movement heavy. Pastures are reported as excellent with cattle making good gains and in good flesh.

Livestock owners in southwestern Kansas are, due to the long drouth, confronted with an acute shortage of water and feed for livestock at present.

Meat Packing

Packers purchased more cattle, calves, and sheep, at the six markets, in May than in April this year or May last year. Compared to a year ago the gains were: cattle 10.2; calves 15.4; and sheep 1 per cent. Purchases of hogs, including those shipped direct to packers' yards, were 13.3 per cent greater for the month but 6.8 per cent under the total for May, 1932.

In numbers, cattle were equal to 90.5, calves 89.5, swine 105, and sheep and lambs 110.9 per cent of the May average for the years 1923 to 1932, inclusive. May slaughter of cattle was the largest since 1928, calves since 1929, swine, disregarding 1932, since 1928, with sheep showing little change the past five years.

Cold Storage Holdings

A net seasonal into-storage movement of lard, eggs, and butter in the United States substantially larger than last year or the five-year average was reported for May by the Bureau of Agricultural Economics, United States Department of Agriculture. The in-movement of cheese was larger than a year ago but below normal, and, contrary to seasonal tendencies, holdings of pork and miscellaneous meats increased sharply and inventories of lamb and mutton moderately. Stocks of beef and poultry declined by considerably less than the usual amount.

June 1 holdings of all commodities except eggs and creamery butter were smaller than one year earlier or the five-year average for that date. Cold storage holdings of eggs (cased and frozen combined) were 4.3 per cent and creamery butter 8.7 per cent in excess of the five-year average, whereas, stocks of beef were 39.5, pork 18.3, lamb and mutton 21.7, poultry 16, miscellaneous meats 31.2, lard 23, and cheese 19.3 per cent below normal.

Cold storage holdings in the United States as of June 1 with comparisons:

	*June 1 1933	May 1 1933	June 1 1932	June 1 5-Yr. Av.
Beef, lbs.	30,373	30,658	35,655	50,238
Pork, lbs.	667,955	630,360	795,866	817,787
Lamb and mutton, lbs.	1,843	1,773	1,018	2,353
Poultry, lbs.	38,096	45,824	44,829	45,372
**Turkeys, lbs.	7,809	9,179	8,271	7,546
Miscellaneous meats, lbs.	50,798	44,903	59,625	73,885
Lard, lbs.	110,381	71,895	128,103	143,260
Eggs, cases.	8,047	4,857	5,380	7,464
Eggs, frozen (case equivalent).....	2,410	1,798	2,714	2,560
Butter, creamery, lbs.	34,555	9,398	29,160	31,803
Cheese, all varieties, lbs.	48,458	43,626	52,118	60,073

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

Petroleum

According to estimates based on the weekly reports of the American Petroleum Institute, the daily average flow of crude oil from wells in Oklahoma, Kansas, Wyoming, New Mexico, and Colorado totaled 610,000 barrels in May. This figure reflects an increase of 3.9 per cent in the daily average production and 7.5 per cent in gross production for the month over the official estimate of the Bureau of Mines for April. Output during May and the first five months of the year were relatively the same as a year ago.

Increased production in the east Texas area resulted in an estimated gross production for the United States of 83,112,000 barrels in May against 65,313,000 barrels in April and 68,523,000 barrels in May, 1932.

Gross production of crude oil for the five states and the United States:

	*May 1933 Barrels	April 1933 Barrels	May 1932 Barrels
Oklahoma.....	13,349,000	11,960,000	13,654,000
Kansas.....	3,457,000	3,564,000	2,935,000
Wyoming.....	913,000	902,000	1,158,000
Colorado.....	79,000	71,000	103,000
New Mexico.....	1,118,000	1,092,000	1,129,000
Total five states.....	18,916,000	17,589,000	18,979,000
Total United States.....	83,112,000	65,313,000	68,523,000

The first week in May practically all purchasing companies posted a flat price of 25 cents per barrel for mid-continent oil, regardless of grade, as against a previous price range of 28 to 52 cents per barrel per gravity basis but returned to the old schedule June 17.

Development operations were somewhat less active, both for the District and the United States, in May than in the preceding month or the like month last year.

MAY 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.....	112,383	21,920	*338,127	196,479	37,694	5,263	9,818	21,559	52,665	16,277	*306,524	125,608
Omaha.....	123,593	6,803	219,119	205,355	13,724	2,108	1,865	31,729	85,880	4,695	196,675	159,992
St. Joseph.....	29,935	6,348	119,712	109,654	3,735	534	808	8,794	21,914	5,455	114,238	93,797
Denver.....	29,848	5,525	73,526	183,840	10,345	3,443	759	9,775	10,706	1,971	56,526	15,416
Oklahoma City.....	19,787	4,670	64,449	12,129	-----	-----	-----	-----	12,317	4,054	60,433	11,049
Wichita.....	18,616	4,042	68,177	14,120	-----	-----	-----	-----	7,122	1,454	65,639	12,290
May 1933.....	334,162	49,308	883,110	721,577	65,498	11,348	13,250	71,857	190,604	33,906	800,035	418,152
April 1933.....	277,064	41,119	773,248	802,068	59,026	8,897	7,701	59,301	150,578	27,296	706,124	384,211
May 1932.....	294,347	37,949	959,823	702,152	35,317	4,853	6,209	41,942	172,964	29,371	858,632	414,189
5 Months 1933.....	1,442,222	211,453	3,962,754	3,337,719	280,168	49,165	37,470	274,978	815,896	136,777	3,497,446	1,843,479
5 Months 1932.....	1,509,168	180,567	4,586,721	3,875,554	221,062	27,818	25,864	261,311	854,536	140,219	3,826,952	2,164,061

*Includes 187,468 hogs shipped direct to packers' yards.

Bituminous Coal

Output of bituminous coal at mines in the six coal producing states of the District, as estimated from the weekly reports of the United States Bureau of Mines, totaled 991,000 tons in May, an increase of 4.5 per cent as compared to April and 15.9 per cent as compared to May, 1932.

United States production as reported by the Bureau of Mines totaled 22,346,000 tons in May, 19,523,000 tons in April, and 18,384,000 tons in May, 1932.

Production of soft coal in the United States and the six states is shown in the following table:

	*May 1933 Tons	*April 1933 Tons	May 1932 Tons
Colorado.....	332,000	311,000	206,000
Kansas.....	91,000	109,000	90,000
Missouri.....	185,000	187,000	193,000
New Mexico.....	78,000	65,000	77,000
Oklahoma.....	45,000	30,000	33,000
Wyoming.....	260,000	246,000	256,000
Total six states.....	991,000	948,000	855,000
Total United States.....	22,346,000	19,523,000	18,384,000

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

Zinc and Lead

Shipments of zinc ore from mines in Oklahoma, Kansas, and Missouri during the five weeks ended June 3 were 5.6 per cent heavier than in the corresponding five weeks last year, but, due in part to several of the larger producers being shut down, 15.8 per cent lighter than in the preceding five weeks. Lead ore shipments, although held down somewhat by restricted production and limited supplies, were 26.5 per cent larger than for the five weeks' period ended April 29 and 132.1 per cent in excess of the total reported for the five weeks ended June 4, 1932.

The tonnage and value of zinc and lead ore, shipped from the Tri-state district during the periods of comparison:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	11,709	\$ 304,175	2,362	\$ 98,914
Kansas.....	4,504	115,314	722	30,980
Missouri.....	475	12,114	145	6,080
5 Weeks ended June 3, 1933....	16,688	\$ 431,603	3,229	\$135,974
5 Weeks ended April 29, 1933....	19,830	390,108	2,552	91,266
5 Weeks ended June 4, 1932....	15,803	241,104	1,391	34,775
22 Weeks ended June 3, 1933....	100,631	1,931,767	11,881	427,052
22 Weeks ended June 4, 1932....	69,819	1,179,836	12,618	463,736

Zinc ore advanced \$5 and lead ore \$10 per ton during May, closing at \$30 and \$50 per ton, respectively. In May, 1932, zinc ore sold at the record low price of \$14 and lead ore at \$25 per ton. This year's low for zinc ore was \$16 in February and that of lead ore \$32.50 per ton the first nine weeks of the year. Prices of zinc ore are now the highest since October, 1930, and of lead ore the highest since September, 1931.

Cement

Production and shipments of finished Portland cement at mills in this District exceeded that of April this year and May last year, whereas, United States production and shipments, although larger than in the preceding month, were somewhat smaller than a year ago. Tenth District production, which was the largest since November, and shipments, the largest since October, approximated 50 per cent of the 1922-31 May average volume.

National and District stocks of cement were reduced during May and at the close of the month the former were the lowest since November 30 and the latter the lowest since June 30, 1932.

Production, shipments, and stocks of Portland cement as reported by the United States Bureau of Mines, in thousands of barrels:

	TENTH DISTRICT			UNITED STATES		
	Production	Shipments	Stocks	Production	Shipments	Stocks
May 1933.....	648	771	1,761	6,266	6,748	20,060
April 1933.....	500	682	1,784	4,183	4,949	20,542
May 1932.....	581	739	1,722	6,913	8,020	25,394

Lumber

The volume of business at 157 reporting retail lumber yards in cities and towns throughout the Tenth District showed a decided improvement during May, both as compared to April this year and May last year. Sales of lumber in board feet were 23.7 per cent and dollar sales of all materials 12.7 per cent larger for the month, and 43.7 and 18.4 per cent, respectively, larger than in May, 1932. Collections improved slightly totaling 22.7 per cent of amounts outstanding at the close of the previous month as compared to 20.7 per cent reported for April and 21.5 per cent for May, 1932.

Lumber inventories were practically unchanged during the month but stocks on hand May 31 were 13.3 per cent smaller than a year earlier.

Changes in the volume of business at the reporting yards are indicated by the following percentages of increase or decrease:

	May 1933 compared to	
	April 1933	May 1932
Sales of lumber, board feet.....	23.7	43.7
Sales of all materials, dollars.....	12.7	18.4
Stocks of lumber, board feet.....	0.1	-13.3
Outstandings, end of month.....	3.1	-18.9

Building

New construction operations failed to show any material improvement in May, there being little change in the number and estimated cost of construction of buildings, alterations, and repairs for which permits were issued by the building departments of seventeen cities of this District. The report by cities follows:

	PERMITS		ESTIMATED COST	
	1933	1932	1933	1932
Albuquerque, N. M.....	24	79	\$ 11,915	\$ 38,007
Cheyenne, Wyo.....	58	20	13,813	9,440
Colorado Springs, Colo.....	23	46	5,084	20,307
Denver, Colo.....	492	422	194,838	474,085
Joplin, Mo.....	12	19	3,300	33,450
Oklahoma City, Kans.....	30	40	16,090	25,920
Kansas City, Mo.....	148	162	153,700	159,900
Lincoln, Nebr.....	49	36	29,295	26,715
Oklahoma City, Okla.....	71	78	85,739	161,547
Omaha, Nebr.....	73	103	152,245	140,633
Pueblo, Colo.....	43	44	6,167	14,170
Salina, Kans.....	9	7	2,050	2,000
Shawnee, Okla.....	8	6	11,520	2,750
St. Joseph, Mo.....	37	34	25,470	13,435
Topeka, Kans.....	55	60	47,885	31,900
Tulsa, Okla.....	70	56	23,787	38,067
Wichita, Kans.....	62	85	35,530	83,230
Total 17 cities, May.....	1,264	1,297	\$ 818,428	\$1,275,556
Five months.....	4,509	5,569	3,216,519	5,734,956

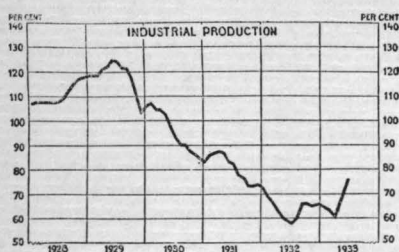
Total and residential construction for the District as a whole, reported by the F. W. Dodge Corporation, although somewhat larger than the April totals, were but a fraction of normal.

Total construction awards in this District and the United States as reported by the F. W. Dodge Corporation:

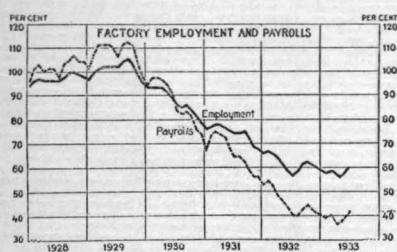
	TENTH DISTRICT		UNITED STATES	
	Value	Value	Value	Value
May.....	\$ 4,094,541	\$ 6,004,524	\$ 77,171,700	\$146,221,200
April.....	2,026,945	5,767,505	56,573,000	121,704,700
Five months....	15,250,996	26,201,650	329,771,500	554,004,700

Business Conditions in the United States

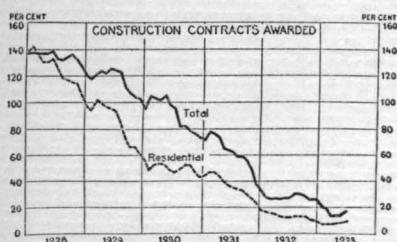
By the Federal Reserve Board



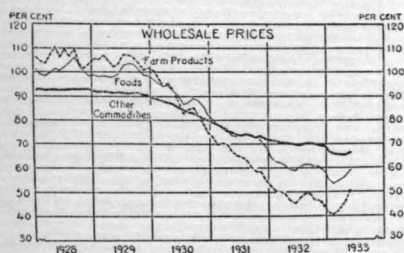
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.) Latest figure, May, 76.



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average = 100.) Latest figures, May, employment, 60; payrolls, 42.



Indexes based on three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. (1923-1925 average = 100.) Latest figures May, total 17, residential 11.



Indexes of the United States Bureau of Labor Statistics (1926 = 100). Latest figures, May, farm products, 50.2; foods, 59.4; other commodities, 66.5.

Industrial activity increased rapidly in May and the early part of June, and there was an advance in the general level of commodity prices. Prices of raw materials traded in on organized exchanges showed wide fluctuations, and a general rapid upward movement, while prices of other commodities, as a group, showed relatively little increase.

PRODUCTION AND EMPLOYMENT: Volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 67 per cent of the 1923-1925 average in April to 76 per cent in May, as compared with 60 per cent in March, 1933. Operations at steel mills continued to increase in May and the early part of June, contrary to seasonal tendency, and in the week ending June 24 activity is reported at about 50 per cent of capacity. Output of the automobile industry was larger in May than in April and, according to trade reports, has increased further in June, although a decline is usual at this season. Lumber output in May showed a considerable increase from previous low levels. Activity at textile mills increased sharply to a higher level for the season than in any other month since November, 1929; and output of shoe factories in May was larger than in May of any previous year.

Employment in manufacturing industries increased considerably between the middle of April and the middle of May, and the Board's index, which is adjusted to allow for seasonal variations, advanced from 58 per cent of the 1923-1925 average to 61 per cent. Factory payrolls increased by a larger percentage to about 42 per cent of the 1923-1925 average.

Value of construction contracts awarded during May and the first half of June, as reported by the F. W. Dodge Corporation showed a non-seasonal increase from the extreme low levels prevailing earlier in the year.

DISTRIBUTION: Freight traffic increased from April to May by more than the seasonal amount, reflecting chiefly larger shipments of miscellaneous freight and merchandise. Department store sales, which had increased substantially from March to April, showed little change in May.

Wholesale commodity prices, as measured by the weekly index of the Bureau of Labor Statistics, advanced from 60.3 per cent of the 1926 average in the week ending April 15 to 64.5 per cent in the week ending June 17. This increase reflected a rapid rise in the prices of commodities traded in on organized exchanges, including wheat, cotton, wool, hides, lard, sugar, silk, rubber, and nonferrous metals, and also in the prices of flour, textiles, and leather; while prices of petroleum were reduced and most other prices showed relatively little change.

FOREIGN EXCHANGE: The value of the dollar in the exchange market declined by 18 per cent between the middle of April and June 21. On the latter date the noon buying rate on cable transfers for the French franc was 4.81 cents, as compared with a gold par of 3.92 cents, and the English pound was quoted at \$4.16 as compared with a rate of \$3.41 on April 12.

BANK CREDIT: A return flow of \$156,000,000 of currency from circulation and purchase of \$118,000,000 of United States Government securities by the reserve banks placed a considerable volume of reserve funds at the disposal of member banks during the five weeks ending June 21. These funds were used in part to reduce further the member banks' indebtedness to the reserve banks and the reserve banks' holdings of acceptances, and in part were added to the member banks reserve accounts.

Loans and investments of member banks in 90 leading cities increased by \$175,000,000 in the four weeks ending June 14, representing chiefly a growth of security loans and other loans at New York City banks. Loans to brokers and dealers in securities made by New York City banks increased by \$160,000,000 during the period, while security loans to other customers declined. Net demand deposits at the reporting banks increased by over \$500,000,000, reflecting in part a further growth of bankers' balances, principally in New York City.

Money rates in the open market continued to decline during the period and in the middle of June were only slightly above the lowest levels of recent years.

On May 26 the discount rate of the Federal Reserve Bank of New York was reduced from 3 to 2½ per cent and in the following three weeks rates were lowered from 3½ to 3 per cent at the Federal reserve banks of Chicago, Boston, San Francisco, Philadelphia, St. Louis, and Cleveland. At the other Federal reserve banks a rate of 3½ per cent prevails.