

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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REPORTS covering general business conditions in the Tenth Federal Reserve District for July were favorable for trade and industry and unfavorable for agriculture.

Sales of merchandise at both wholesale and retail showed the best improvement over the corresponding month a year ago of the past four years. Production of flour, coal, and petroleum, and shipments of zinc ore and lead ore were larger than for July last year, but the output of cement was smaller. Market receipts of all classes of grain, except wheat, and of all species of livestock exceeded the July, 1932, totals. Meat packing establishments operated at a higher rate of activity than a year ago. Building operations remained inactive.

Debits by banks to individual accounts increased substantially both as compared to June this year and July last year. Business failures showed marked improvement, being less numerous than for any month since September, 1928, with the amount of liabilities smaller than for any month since September, 1920.

Prices of most agricultural commodities declined during the month. Declines in grain prices were severe although at the close values were higher than on June 1 and substantially above a year ago and the lows of the current year. The foremost unfavorable factors in the agricultural situation are the extremely poor crop prospects and a continuation of low prices for livestock and livestock products. Livestock feeders, dairy-men, and poultrymen are confronted with higher feed prices and lower returns than existed at this time last year. The position of sheep raisers has improved somewhat as mutton and wool are higher than a year ago.

Preparations for the fall seeding of winter wheat are general but soil conditions in the major wheat producing counties of Kansas are, due to a shortage of moisture, unfavorable.

Financial

Combined loans, discounts, and investments of fifty-three reporting member banks in leading cities of the Tenth District continued to increase during the four weeks ended August 9, and on that date were 4.4 per cent larger than one year earlier. Between July 12 and August 9 these banks enlarged their loans 0.5 per cent and their investments 1.4 per cent, with the total of the former, as of August 9, showing a reduction of 10.9 per cent and of the latter an increase of 19.8 per cent as compared to August 10, 1932. Compared to a year ago the reduction in loans and discounts was about equally divided between those secured by stocks and bonds and "all other" loans. The increase in total investments was in United States securities as investments in other bonds, stocks, and securities showed a small decline.

BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT

Percentages of Increase, or Decrease (—), for July 1933 over June 1933 and July 1932 and for the first seven months of 1933 over the like period in 1932.

	July 1933 Compared to		7 Mos. 1933 Compared to
	June 1933	July 1932	7 Mos. 1932
Banking			
Payments by check.....	22.5	18.6	— 9.3
Federal Reserve Bank clearings.....	7.9	22.6	— 3.8
Business failures, number.....	—30.6	—46.8	—28.2
Business failures, liabilities.....	—40.6	—83.4	—61.6
Loans, 53 member banks.....	0.5	—10.9	.....
Investments, 53 member banks.....	1.4	19.8	.....
Net demand deposits, 53 member banks	— 0.8	10.7	.....
Time deposits, 53 member banks.....	1.2	— 6.3	.....
Savings deposits, 45 selected banks.....	— 0.4	— 7.6	.....
Savings accounts, 45 selected banks....	0.2	— 3.8	.....
Distribution			
Wholesalers' sales, 5 lines combined....	— 0.5	37.5	— 1.7
Retailers' sales, 32 department stores..	—20.8	6.2	—10.4
Lumber sales, 157 retail yards.....	— 8.2	21.0	14.4
Life insurance, written.....	— 0.6	0.9	—12.9
Construction			
Building contracts awarded, value.....	— 0.5	—46.2	—37.3
Residential contracts awarded, value..	—46.2	20.1	— 5.7
Building permits in 16 cities, value....	— 5.4	— 4.7	—39.4
Production			
Flour.....	4.8	2.4	4.8
Crude petroleum.....	16.3	34.1	7.2
Soft coal.....	9.8	11.8	— 9.3
Zinc ore (shipped) Tristate District....	0.8	259.7	64.3
Lead ore (shipped) Tristate District....	—34.2	300.1	28.3
Cement.....	2.2	—18.4	— 4.2
Grain receipts, 5 markets			
Wheat.....	30.2	—47.7	—38.4
Corn.....	58.2	1391.3	252.5
Oats.....	31.7	232.7	92.6
Rye.....	21.8	2362.7	503.4
Barley.....	291.5	115.5	3.8
Kafir.....	43.4	39.7	—49.7
Livestock receipts, 6 markets			
Cattle.....	— 0.8	4.7	— 1.0
Calves.....	15.5	13.5	13.1
Hogs.....	—22.4	2.5	— 4.0
Sheep.....	17.6	22.7	—10.3
Horses and mules.....	— 3.8	162.6	18.0
Meat packing, 6 markets			
Cattle.....	— 1.1	25.6	2.2
Calves.....	7.6	34.9	4.3
Hogs.....	—26.1	29.8	3.8
Sheep.....	— 4.9	4.1	—12.1
Stocker and feeder shipments, 4 markets			
Cattle.....	—32.7	—45.8	15.0
Calves.....	— 2.3	—26.9	51.3
Hogs.....	121.9	467.6	102.5
Sheep.....	— 5.4	—16.9	6.4

Net demand deposits declined 0.8 per cent in four weeks and increased 10.7 per cent in fifty-two weeks, whereas, time deposits were 1.2 per cent larger on August 9 than four weeks earlier but 6.3 per cent smaller than a year ago.

RESERVE BANK OPERATIONS: Member banks in the Tenth District reduced their borrowings from the Federal Reserve Bank of Kansas City and branches \$3,461,753 in the four weeks ended August 9. Holdings of bills rediscounted for these banks, as of that date, totaled but \$4,788,673 as against \$21,224,580 on August 10, 1932, and were lower than on any weekly reporting date since March 25, 1925. The total of bills purchased in the open market declined slightly in the four weeks to the lowest levels in nine years.

The bank increased its holdings of United States Government securities from \$63,146,100 on July 12 to \$66,096,100 on August 9, at which time they were \$8,829,000 larger than on August 10, 1932. Federal reserve note circulation declined approximately one million dollars between July 12 and August 9, but Federal reserve bank note circulation expanded slightly. Federal reserve note circulation has increased 16.8 per cent since August 10, 1932. All Federal reserve bank notes have been issued during the current year. On August 9 member banks' reserve deposits were 10.5 per cent larger than four weeks earlier and 59 per cent larger than on August 10, 1932.

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

REPORTING MEMBER BANKS			
	Aug. 9, 1933	July 12, 1933	Aug. 10, 1932
Loans and investments—total...	\$518,000,000	\$513,000,000	\$496,000,000
Loans and discounts—total.....	221,000,000	220,000,000	248,000,000
Secured by stocks and bonds.....	57,000,000	58,000,000	70,000,000
All other loans and discounts.....	164,000,000	162,000,000	178,000,000
Investments—total.....	297,000,000	293,000,000	248,000,000
U. S. securities.....	189,000,000	186,000,000	139,000,000
Other securities.....	108,000,000	108,000,000	109,000,000
Reserve with F. R. bank.....	63,000,000	61,000,000	43,000,000
Net demand deposits.....	362,000,000	365,000,000	327,000,000
Time deposits.....	164,000,000	162,000,000	175,000,000
Government deposits.....	10,000,000	10,000,000	4,000,000
FEDERAL RESERVE BANK			
	Aug. 9, 1933	July 12, 1933	Aug. 10, 1932
Gold reserves.....	\$149,962,161	\$146,670,507	\$ 83,766,574
Other cash.....	10,182,603	10,527,411	7,283,283
Bills discounted.....	4,788,673	8,250,426	21,224,580
Bills purchased.....	197,822	205,577	945,758
U. S. securities.....	66,096,100	63,146,100	57,267,100
Total bills and securities.....	71,082,595	71,602,103	79,437,438
Total resources.....	257,303,431	259,273,623	193,033,575
F. R. notes in circulation.....	111,162,235	112,260,375	95,183,215
F. R. bank notes in circulation.....	983,722	976,000	.....
Member banks' reserve deposits.....	106,563,729	96,458,609	67,006,653

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.

SAVINGS: Reports from forty-five banks in selected cities of the District indicate a slight increase in the number of savings accounts and a slight decrease in the amount of savings deposits during July. On August 1 total savings deposits, as reported by these banks, were 7.6 per cent and the number of savings accounts 3.8 per cent less than one year earlier.

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

	Savings Accounts	Savings Deposits
August 1, 1933.....	368,411	\$ 99,288,280
July 1, 1933.....	367,735	99,720,788
August 1, 1932.....	383,071	107,467,873

Commercial Failures

Of the 1,421 July business insolvencies, reported for the United States by Dun and Bradstreet, Incorporated, 75 occurred in this District. Totals for both the nation and the District were the smallest recorded for any month since Septem-

ber, of the years 1924 and 1928, respectively. The amount of liabilities involved in the defaults were also comparatively light, the District making the best showing since September, 1920, and the United States the best showing since July of that year.

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

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
July 1933.....	75	\$ 605,334	1,421	\$ 27,481,103
June 1933.....	108	1,019,170	1,648	35,344,909
July 1932.....	141	3,639,171	2,596	87,189,639
Seven months 1933.....	691	9,457,241	14,144	355,071,851
Seven months 1932.....	962	24,627,018	20,029	624,473,927

Bank Debts

Debts to individual accounts, as reported by banks in twenty-nine leading cities of this District for the five weeks ended August 2, aggregated \$1,117,638,000, or 22.5 per cent above the total for the preceding five weeks and 18.6 per cent larger than for the corresponding five weeks last year. The increase over the preceding year follows an increase of 2.6 per cent reported for June this year over June last year, and otherwise is the first increase reported since November, 1929. The improvement was general with a majority of cities reporting increases for the first time in months. The totals by cities:

	FIVE WEEKS ENDED		Per cent Change
	August 2, 1933	August 3, 1932	
Albuquerque, N. M.....	\$ 6,643,000	\$ 8,951,000	—25.8
Atchison, Kans.....	4,575,000	3,255,000	40.6
Bartlesville, Okla.....	27,609,000	20,711,000	33.3
Casper, Wyo.....	4,810,000	4,926,000	— 2.4
Cheyenne, Wyo.....	5,487,000	5,954,000	— 7.8
Colorado Springs, Colo.....	13,020,000	14,190,000	— 8.2
Denver, Colo.....	125,905,000	113,470,000	11.0
Enid, Okla.....	15,661,000	11,583,000	35.2
Fremont, Nebr.....	2,368,000	2,537,000	— 6.7
Grand Junction, Colo.....	1,545,000	1,793,000	—13.8
Guthrie, Okla.....	1,808,000	1,302,000	38.9
Hutchinson, Kans.....	18,573,000	17,945,000	3.5
Independence, Kans.....	3,900,000	3,279,000	18.9
Joplin, Mo.....	8,009,000	5,579,000	43.6
Kansas City, Kans.....	12,667,000	14,309,000	—11.5
Kansas City, Mo.....	396,758,000	275,217,000	44.2
Lawrence, Kans.....	4,574,000	3,678,000	24.4
Lincoln, Nebr.....	24,071,000	25,247,000	— 4.7
Muskogee, Okla.....	7,410,000	6,801,000	9.0
Oklahoma City, Okla.....	82,194,000	74,708,000	10.0
Okmulgee, Okla.....	3,465,000	2,765,000	25.3
Omaha, Nebr.....	143,181,000	132,014,000	8.5
Pittsburg, Kans.....	3,280,000	3,353,000	— 2.2
Pueblo, Colo.....	12,137,000	15,388,000	—21.1
Salina, Kans.....	13,755,000	9,562,000	43.9
St. Joseph, Mo.....	32,182,000	24,968,000	28.9
Topeka, Kans.....	18,676,000	17,140,000	9.0
Tulsa, Okla.....	74,423,000	76,373,000	— 2.6
Wichita, Kans.....	48,952,000	45,355,000	7.9
Total 29 cities, 5 weeks.....	\$1,117,638,000	\$ 942,353,000	18.6
Total 29 cities, 31 weeks.....	5,381,879,000	5,933,513,000	— 9.3

Federal Reserve Bank Clearings

The number of checks collected through this bank and branches at Omaha, Denver, and Oklahoma City in July failed to equal the June total but exceeded the total for July, 1932, by 15.5 per cent. However, the dollar volume of checks handled increased 7.9 per cent as compared to June and was 22.6 per cent larger than a year ago.

The number and value of checks collected through this bank and branches are shown in the following table:

	ITEMS			AMOUNT	
	1933	1932	1933	1932	
July.....	4,323,092	3,742,110	\$ 634,691,000	\$ 517,659,000	
June.....	4,400,107	4,614,109	588,055,000	540,241,000	
Seven months.....	27,373,670	31,593,852	3,607,330,000	3,749,729,000	

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

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED		
	July 1933	7 Mos. 1933	July 31, 1933	July 31, 1932	July	1933	1933	1932	July 31, 1933	July 31, 1932	July 1933	July 1932	
	Compared to July 1932	Compared to 7 Mos. 1932	Compared to June 30, 1933	Compared to July 31, 1932	1933	1932	1933	1932	Compared to July 31, 1932	Compared to July 31, 1932	Compared to July 1932	Compared to July 1932	
Kansas City.....	4	5.2	-13.0	8.5	-13.2	.14	.11	1.17	1.10	-14.2	-0.6	-3.3	-3.9
Denver.....	4	14.2	-5.2	5.2	-6.1	.23	.18	1.75	1.48	-9.2	-2.0	3.2	12.0
Oklahoma City....	3	4.7	-12.5	1.7	-8.8	.21	.16	1.93	1.53	-10.1	-7.5	-4.3	-2.4
Tulsa.....	3	20.0	-0.3	0.8	7.0	.27	.23	2.76	2.41	-4.7	11.6	-0.7	1.5
Wichita.....	3	-7.0	-15.3	-6.7	-35.1	.20	.15	1.67	1.32	-16.9	-32.9	Even	-12.4
Other cities.....	15	-0.4	-13.3	-10.1	-13.6	.19	.17	1.57	1.51	-5.9	-9.3	-9.7	-3.5
Total.....	32	6.2	-10.4	1.3	-11.0	.19	.16	1.57	1.40	-9.1	-6.2	-2.7	0.9

NOTE: Percentages of collections in July on accounts June 30, all stores reporting 34.2. Collections same month last year 31.4.

Trade

Trade at both wholesale and retail experienced the third consecutive and largest improvement over the corresponding month a year ago in July. Dollar sales of thirty-two department stores, located throughout the District, although showing a normal seasonal decline of 20.8 per cent as compared to June, were 6.2 per cent in excess of the July, 1932, total. The increase over July of the previous year is the first recorded since 1929 and compares with increases of 0.8 per cent in May and 1.8 per cent in June this year over May and June last year. In 1932, July sales were 29.7 per cent, in 1931, 14.3 per cent, and in 1930, 6.3 per cent less than in the like month of the preceding year.

Sales of merchandise at wholesale have increased more rapidly the past three months as compared to the corresponding month of the preceding year than retail sales. Sales of five representative wholesale lines combined, which recorded their first increase in four years of 7 per cent in May, increased 11.6 per cent in June and 37.5 per cent in July as compared to June and July, 1932. The increase for July this year over July last year follows three successive declines of 16.2, 17.4, and 32.8 per cent, respectively, for July of the years 1930, 1931, and 1932 compared to the previous year. Each of the five reporting lines shared in the increase, with sales of dry goods reported as 95.8, groceries 17.6, hardware 34.1, furniture 114.7, and drugs 3.6 per cent larger than a year ago. Compared to June, sales of dry goods registered the first increase in three years and the largest in over ten years, whereas, those of hardware declined more and of furniture considerably less than the usual seasonal amount. Sales of groceries and drugs, which ordinarily show a slight increase, declined 8.5 and 0.8 per cent, respectively.

For the first time in seven years stocks of merchandise on hand at the reporting department stores on July 31 were larger than on June 30, increasing 1.3 per cent during the month. However, reductions since July 31, 1932, amounted to 11 per cent, making the seventh consecutive cut on a year to year comparative basis. All five representative wholesale lines increased their inventories during July, but stocks of dry goods, groceries, hardware, and drugs were 0.4, 8.1, 4.9, and 12.4 per cent, respectively, lighter on July 31, 1933, than on July 31, 1932, but those of furniture were the same.

Collections at both wholesale and retail were, on the whole, better than a year ago. The department stores reported 34.2 per cent of amounts outstanding on June 30 collected in July as compared to collection percentages of 34.3 per cent for June this year and 31.4 per cent for July last year.

Grain Marketing

Higher prices were an effective stimulant to the unusually heavy marketings of all classes of grain except wheat and kafir in July. Arrivals of all classes of grain at the five principal markets of the District were heavier than in the preceding month and, wheat excepted, substantially larger than a year ago or in recent years.

Receipts of wheat were the smallest for any July in eight years, or since the use of the combine became prevalent. They were 47.7 per cent lighter than a year ago and equal to but 40 per cent of average July volume, which is the heaviest of the year ordinarily. The light offerings reflect an extremely short crop and a tendency on the part of producers to hold for higher prices.

Marketings of corn, oats, rye, and barley were exceptionally heavy. Receipts of corn were the largest for any month since February, 1930, oats since August, 1929, rye since September, 1930, and barley since October, 1931. The July volume of barley was the largest in three years, that of oats since 1925, and of corn and rye in fourteen years of record. Offerings of kafir were the heaviest in four years but 23 per cent short of normal.

Receipts of grain at the five markets are shown in the following table with comparisons to June this year and July, 1932:

	Wheat	Corn	Oats	Rye	Barley	Kafir
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Hutchinson.....	2,000,700	11,250	4,500	.....	2,500	16,900
Kansas City.....	10,976,000	3,496,500	596,000	13,500	76,800	119,000
Omaha.....	3,601,600	3,613,400	764,000	128,800	121,600	.....
St. Joseph.....	2,331,200	2,862,000	596,000	3,000	17,500	.....
Wichita.....	2,698,500	145,600	22,500	.....	2,600	.....
July 1933.....	21,608,000	10,128,750	1,983,000	145,300	221,000	135,900
June 1933.....	16,596,100	6,401,650	1,505,500	119,300	56,450	94,800
July 1932.....	41,289,850	679,200	596,000	5,900	102,550	97,300
7 Months 1933.....	69,913,000	32,065,050	7,720,000	582,300	525,300	911,000
7 Months 1932.....	113,472,550	9,097,550	4,008,500	96,500	506,000	1,812,400

The July grain market was one of the most hectic and erratic in the history of the exchanges. Prices of all grains advanced rapidly up to the forepart of the third week of the month, at

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Reporting Stores	SALES		OUTSTANDINGS		AMOUNTS COLLECTED		STOCKS		
	July 1933 compared to June 1933	July 1932	July 31, 1933 compared to June 30, 1933	July 31, 1932	July 1933 compared to June 1933	July 1932	July 31, 1933 compared to June 30, 1933	July 31, 1932	
Dry goods.....	6	34.9	95.8	15.7	10.2	12.3	4.5	25.5	-0.4
Groceries.....	4	-8.5	17.6	2.9	12.8	-8.8	17.0	1.6	-8.1
Hardware.....	9	-19.6	34.1	-0.9	1.8	-6.3	18.6	7.2	-4.9
Furniture.....	5	-9.1	114.7	-2.8	2.1	2.2	59.2	11.7	Even
Drugs.....	6	-0.8	3.6	-2.9	-8.5	-5.5	-5.7	1.1	-12.4

which time they were at the highest levels in three years, and then in two days, July 19th and 20th, dropped to levels substantially below July 1 quotations, but still above those of June 1. All exchanges were closed for two days, reopening Monday, July 24, under rigid restrictions, with prices "frozen" at a minimum equal to the close of July 20 and with limits on maximum daily fluctuations in the various classes of grain. Thereafter prices advanced and the minimum restrictions were removed, to be restored as of the close of July 31, following three days of declining prices, and to remain in effect until August 15 when they expired. Maximum daily fluctuations in effect after July 31 were 5 cents per bushel for wheat, rye, and barley, 4 cents for corn, and 3 cents for oats.

The principal changes in cash grain prices at Kansas City in July, and comparisons with a year ago, are shown in the following table:

	Aug. 19,	July 31,	July 20,	July 19,	July 18,	June 30,	July 30,
	1933	1933	1933	1933	1933	1933	1932
No. 1 Hd. & dk. wheat	\$.81½	\$.86¾	\$.81	\$.96	\$1.07	\$.89½	\$.46¾
No. 2 Mixed corn	.49	.43½	.48½	.51	.57½	.49	.32
No. 2 White oats	.34	.32	.28	.38	.43½	.42	.18
No. 2 Rye	.70	.67	.60	.75	.85	.69	.39
No. 2 Barley	.47	.44	.44	.54	.58	.44	.24
No. 2 Kafir	1.15	1.08	1.01	1.05	1.36	1.27	.60

July and 1933 highs: Wheat, \$1.09, corn, 58½, and oats 48 cents per bushel.

Flour Production

Retailers' stocks of flour being exempt for thirty days from the processing tax on wheat of 30 cents per bushel, effective July 9, mills were forced to operate at a high rate of activity the first week of July to meet the tremendous rush for shipping directions on old contracts. Thereafter directions slowed up and sales slumped although the sharp break in grain prices encouraged some buying late in the month. The July output of flour at Tenth District mills was 4.8 per cent in excess of the unusually heavy June production and 2.4 per cent larger than a year ago, but 7 per cent short of the ten-year average for the month. Mills operated at 62.4 per cent of full-time capacity in July as against 59.5 per cent in June and 60.5 per cent in July, 1932.

Output of flour at Tenth District mills as estimated from the weekly reports of southwestern mills to the Northwestern Miller:

	July 1933 Barrels	June 1933 Barrels	July 1932 Barrels
Atchison	111,012	130,235	109,974
Kansas City	493,557	481,716	573,554
Omaha	109,157	110,403	67,845
Salina	113,007	121,276	155,915
Wichita	168,285	162,236	195,261
Outside	929,436	830,822	777,560
Total	1,924,454	1,836,688	1,880,109
*United States	5,518,722	5,342,066	5,181,530

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

Flour prices advanced rapidly with wheat the first half of the month and then followed the collapse and partial recovery in grains closing the month about \$1.50 per barrel over June. This increase over the June close was due almost entirely to the processing tax on wheat.

As corn and other grains advanced and pastures and meadows were adversely affected by dry weather, the demand for mill-feeds improved and prices were higher. Quotations were reduced with the break in grain prices and showed little net change for the month.

Crops

Tenth District crops, with the exception of corn, white potatoes, and pastures, held their own or improved slightly in July but, nevertheless, present prospects are, on the whole, the poorest in years. Only two crops, tobacco and grapes, hold promise of exceeding the five-year average production and but five crops, spring wheat, sugar beets, beans, tobacco, and apples, are forecast as larger than in 1932. All other crops will be substantially smaller than a year ago or the five-year average.

The forefront of July was hot and dry but cooler temperatures and rains late in July and the first three weeks of August, which although largely local in character eventually covered most of the District, afforded temporary relief. Crops in Colorado, Wyoming, western Kansas, and western Oklahoma suffered the most injury in July. Sugar beets, dry beans, and cotton held up well during the month.

Pastures are extremely poor, those in the central part of the District furnishing little or no feed. Kansas reports a large acreage of sorghums and other forage crops planted in July to relieve the shortage of hay and other feeds. An unusually large acreage of alfalfa is being cut for seed and yields are good. Missouri is the only state to report fruit prospects as better than a year ago. Melon harvest is on in the Colorado Valley and grape cutting and apple harvest have commenced in the Ozarks.

Plowing of wheat stubble had become general by mid-August. In the major wheat counties of western Kansas, where the soil is dry and hard, progress is difficult and for fall seeding conditions to be normal this area must receive an abundance of moisture by October 1st.

Drouth has affected a larger area than in 1930, extending over practically the whole of the United States. The national outlook for various crops, as forecast by the Department of Agriculture on the basis of August 1 prospects, is herewith briefly summarized:

CORN: Second smallest crop since 1901, promising to be but 215,000,000 bushels larger than the very short crop of 1930.

ALL WHEAT: Smallest crop in forty years.

OATS: Smallest crop since 1894.

BARLEY: Smallest crop since 1922.

GRAIN SORGHUMS: Prospective yields below average in all states.

TOTAL GRAINS: Production will be 16 per cent less than in any of the last ten years and 24 per cent less than the average.

TAME HAY: Condition below eight-year average in nearly all states, with crop forecast as smallest in twenty years with one exception, 1930.

TOTAL HAY: Production forecast as 12 per cent below the five-year average, 10 per cent below 1932, and about the same as in 1931 and 1930, when similar conditions prevailed.

PASTURES: August 1 condition the lowest on record.

COTTON: Expected to be the smallest in ten years due to the reduction in acreage under the Agricultural Adjustment Program. The August 1 condition was the highest for that date since 1915, excepting 1931.

POTATOES: Reduction about 18 per cent below a year ago and the smallest crop since 1916.

SWEET POTATOES: Improved in July with present prospects indicating a crop 7 per cent above average.

SUGAR BEETS: Improved in July. Acreage is large and if conditions are favorable the remainder of the season the crop will be the largest ever made.

BEANS: A crop of 9,365,000 bags of 100 pounds each compared to the 1932 crop of 10,164,000 bags and the 1926-1930 average production of 11,100,000 bags.

TOBACCO: Due to the increased acreage, is expected to exceed last year's very short crop, but below production in any of the preceding five years.

APPLES: Four per cent larger than the short crop of 1932 but 13 per cent below average.

PEACHES: About 7 per cent larger than last year but a fifth smaller than the five-year average.

PEARS: Prospects are for a crop 3 per cent less than average production.

GRAPES: Production forecast as 19 per cent less than a year ago and 27 per cent under the five-year average.

VEGETABLES: Seriously affected in practically all areas.

Tenth District and United States production of the principal crops, as forecast August 1 by the Department of Agriculture, compared to the final returns for 1932, in thousands of units, 000 omitted:

	TENTH DISTRICT		UNITED STATES	
	Forecast Aug. 1, 1933	Production 1932	Forecast Aug. 1, 1933	Production 1932
Winter wheat, bu.....	117,372	183,800	340,355	461,679
Spring wheat, bu.....	7,479	6,117	159,316	264,604
All wheat, bu.....	124,851	189,917	499,671	726,283
Corn, bu.....	413,836	524,390	2,273,019	2,875,570
Oats, bu.....	79,134	145,427	666,745	1,238,231
Tame hay, tons.....	8,307	8,809	64,910	69,794
Potatoes, bu.....	23,988	30,854	292,668	357,679
Cotton, bales.....	866	900	12,314	13,002
Tobacco, pounds.....	5,335	4,807	1,299,154	1,015,512

Deducting 10,304,000 acres from the area of cotton under cultivation on July 1 as the probable removal by the Agricultural Adjustment Administration and allowing for the average abandonment on the remaining acreage, the indicated acreage to be harvested this year is placed at 29,704,000 acres, with a production of 12,314,000 bales of 500 pounds each.

Cotton in this District has, with the exception of upland fields withstood the heat and drouth well and the August 1 condition is above average. Grasshoppers have done some damage but boll weevil infestation has been light. Most areas received rains by the third week of August and the crop is making good progress.

Livestock

MARKETING: July receipts of all species of livestock at the six principal market centers of the Tenth District were larger than a year ago, with marketings of calves and sheep exceeding the June totals. Supplies of hogs, including those shipped direct to packers' yards, sheep, and horses and mules exceeded the ten-year July average, whereas, marketings of cattle were equal to but 83.6 per cent and calves 72.3 per cent of the average.

Offerings of cattle were comparatively light until higher corn prices and the drouth forced shipments. Quality was the best of the year, improving as the month advanced. The marketing of hogs was also stimulated by higher feed costs and receipts, although as usual considerably lighter than in June, were the heaviest for July since 1929.

PRICES: Beef steers advanced 25 to 50 cents and cows and heifers 15 cents per hundredweight in July. Other classes of cattle were mostly steady. The top for July and the seven months this year was \$7.10 compared to \$9.35 last year. The July top for beef steers was the lowest for that month since 1906 and of heifers and feeders since 1911.

Hog prices worked lower during the month, closing at the low point for a loss of 35 to 50 cents per hundred pounds. The

top was \$4.70, or the lowest for the month since 1899, compared to \$4.90 in June this year and \$5, or the 1932 top, last July. Sheep and lambs made the most favorable showing of any class of livestock, most classes closing the month 50 cents to \$1 per hundredweight higher, with practically all classes but ewes selling at \$1 to \$1.50 above a year ago. Excluding 1932, the July top for fat lambs was the lowest since 1912 and fat ewes were the lowest in forty years.

MEAT PACKING: Packers purchased a larger than usual proportion of cattle and hogs, about the normal ratio of calves, and a smaller percentage of the sheep and lambs arriving at the six markets in July. Purchases of hogs, including those bought direct, were the heaviest for any July since 1924 and of cattle the largest since 1930.

The July report of the number of animals slaughtered under Federal meat inspection in the United States shows increases of 22.6 per cent for cattle, 23.7 per cent for calves, 39.7 per cent for hogs, and 1.1 per cent for sheep compared to July, 1932. Totals for the seven months show increases for cattle, calves, and hogs of 5.7, 5.0, and 5.8 per cent, respectively, and a decrease of 5.8 per cent for sheep and lambs compared to the like period last year.

RANGES AND PASTURES: The August 1 condition of western ranges is described by the Division of Crop and Livestock Estimates, United States Department of Agriculture, as extremely varied, ranging from fairly good in the higher elevations to extremely poor in the lower drouth areas. A continuation of the hot, dry weather through July reduced range conditions markedly and the August 1 condition of 74 per cent of normal was, with the exception of 1931, the lowest for that date in the eleven years of record. The drouth situation is reported as acute in the Texas Panhandle, western Oklahoma, western Kansas, southeastern Colorado, and northeastern New Mexico. Cattle and sheep in these drouth areas show heavy shrink, with shipments of cattle from them becoming increasingly heavy, and shipments of sheep and lambs expected to be forced. Livestock on the higher ranges have held up well.

Recent rains have replenished water supplies and improved pastures in the Flint Hills and Blue Stem regions of Oklahoma and Kansas.

CATTLE ON FEED: Estimates of the United States Department of Agriculture place the number of cattle on feed August 1 in the eleven corn belt states as 13 per cent larger than a year ago with the total approximating the five-year average. Nebraska reports an increase of 20 per cent, Kansas a decrease of 5 per cent, and Missouri no change. A survey of the advanced intentions of feeders indicates fewer feeder cattle will be purchased the remainder of the year than in the corresponding period a year ago. All states report a reduction

JULY MOVEMENT OF LIVESTOCK IN THE TENTH DISTRICT

	RECEIPTS			STOCKERS AND FEEDERS			PURCHASED FOR SLAUGHTER					
	Cattle	Calves	Hogs	Cattle	Calves	Hogs	Cattle	Calves	Hogs	Sheep		
Kansas City.....	112,014	22,498	*251,309	96,205	16,691	3,545	4,568	11,757	60,403	16,795	*231,991	74,446
Omaha.....	106,827	4,971	232,629	157,119	6,032	572	2,212	21,334	77,364	4,399	197,657	133,394
St. Joseph.....	33,178	7,065	117,363	76,234	2,656	1,088	1,124	5,627	26,155	5,573	111,871	69,017
Denver.....	16,704	2,722	59,080	262,617	3,380	603	13,535	4,785	9,478	1,742	42,984	13,118
Oklahoma City.....	25,653	5,624	46,881	11,605	-----	-----	-----	-----	13,946	5,216	42,336	10,259
Wichita.....	16,580	3,912	51,665	11,657	-----	-----	-----	-----	7,539	2,256	47,925	8,008
July 1933.....	310,956	46,792	758,927	615,437	28,759	5,808	21,439	43,503	194,885	35,981	674,764	308,242
June 1933.....	313,388	40,524	977,925	523,396	42,734	5,945	9,660	46,324	197,036	33,439	913,237	324,168
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
7 Months 1933.....	2,066,566	298,769	5,699,606	4,476,552	351,661	60,918	68,569	364,805	1,207,817	206,197	5,085,447	2,475,889
7 Months 1932.....	2,087,260	264,172	5,938,897	4,989,636	305,759	40,254	33,859	342,711	1,181,363	197,668	4,901,506	2,817,076

*Includes 135,184 hogs shipped direct to packers' yards.

which is attributed to poor corn prospects and not so much to difficulties of financing as in 1932.

THE LAMB CROP: A 1933 lamb crop 2.5 per cent smaller than a year ago, 10 per cent less than 1931, and the smallest since 1929 is estimated by the United States Department of Agriculture. The principal losses were in the thirteen western states and due to adverse breeding conditions last fall, poor range conditions, and heavy losses of both ewes and lambs during the spring storms of April and May. The New Mexico crop was the smallest in recent years, and the Wyoming crop, where the lambing percentage is the lowest in ten years, was the smallest since 1929.

A summary of the 1933 lamb crop report follows, with figures for ewes and lambs in thousands:

	Breeding Ewes January 1			Number of Lambs Docked		
	1933	1932	1931	1933	1932	1931
Colorado.....	1,425	1,542	1,500	1,097	1,126	1,230
New Mexico.....	2,172	2,158	2,070	1,086	1,122	1,346
Wyoming.....	3,058	3,110	2,950	1,621	2,084	2,419
United States....	36,196	36,735	36,213	28,998	29,727	32,230

WOOL: Production of shorn wool in the United States for 1933 is estimated at 348,914,000 pounds, or about 1 per cent above that of 1932 and 7 per cent below the record production of 1931. A smaller number of sheep were, or are to be, shorn this year than last but fleeces are somewhat heavier, averaging 7.90 pounds this year against the low average of 7.75 pounds last year. Consumption of wool in the first six months this year, as reported by manufacturers to the Bureau of Census, was 50 per cent greater than for the first half of 1932 and domestic supplies at the beginning of the season were reported small. Wool prices reached their low point in July, 1932, but advances since April have carried present values to the highest levels since the spring of 1930, or about 130 per cent above a year ago. World production of wool is reported as smaller than a year ago.

Wool production figures, as estimated by the United States Department of Agriculture, 000 omitted:

	Number of Sheep Shorn			Pounds of Wool Produced		
	1933	1932	1931	1933	1932	1931
Colorado.....	1,523	1,600	1,736	12,489	12,000	13,541
New Mexico.....	2,490	2,520	2,520	16,185	16,600	16,632
Wyoming.....	3,060	3,390	3,600	27,846	30,510	36,000
United States....	44,087	44,431	46,284	348,194	344,354	372,228

DAIRY AND POULTRY PRODUCTS: Prices of butter and butterfat, which advanced in June and the forepart of July, subsequently declined, and on August 16 were on a parity with quotations as of March 31 this year and July 31, 1932, or but slightly above the lows of the present depression. Milk production in the United States for the first six months of 1933 approximated that of 1932, although Government estimates placed the number of milk cows on farms June 1 as 2.3 per cent more than one year earlier and 14 per cent above the numbers as of June 1, 1928.

The Department of Agriculture reported the commercial hatchery production of baby chicks for the first half of 1933 as about 8 per cent greater than for the corresponding period of 1932. First quarter hatchings were less and second quarter hatchings materially larger than a year ago, indicating pullets will commence laying later this year than last. There were about the same number of hens on farms July 1 this year as on July 1, 1932, but the total was 2 per cent less than two years ago and 7 per cent below the five-year average. Poultry and egg prices continue virtually steady at the lowest levels in recent years. On August 18 eggs were quoted at 9½ cents

per dozen at Kansas City, or 5 cents under a year ago, and the various classes of poultry were averaging about 2 cents per pound less.

Cold Storage Holdings

Contrary to the usual seasonal tendencies, United States cold storage holdings of beef increased 19, pork 6.3, poultry 3.1, miscellaneous meats 15.2, and lard 11.8 per cent during July. Seasonal increases in stocks of eggs, butter, and cheese, although larger than in July, 1932, approximated the five-year average. Inventories of lamb and mutton showed about the normal reduction.

Due to the rapid accumulation in recent months, August 1 stocks of all commodities except beef, lamb and mutton, and cheese exceeded the five-year average for that date, in contrast to substantial shortages the forepart of 1933. Holdings of beef are but 0.7 per cent and cheese 0.5 per cent short of normal, whereas, those of mutton show a loss of 33 per cent. August 1 holdings of all commodities, exclusive of lamb and mutton, were somewhat larger than a year ago.

Cold storage holdings in the United States as reported by the Bureau of Agricultural Economics:

	*Aug. 1	July 1	Aug. 1	Aug. 1
	1933	1933	1932	5-Yr. Av.
Beef, lbs.....	41,845	35,136	26,719	42,147
Pork, lbs.....	807,855	760,960	643,052	727,968
Lamb and mutton, lbs.....	1,596	1,807	1,012	2,368
Poultry, lbs.....	44,041	42,705	31,471	39,233
**Turkeys, lbs.....	5,709	7,260	5,985	5,516
Miscellaneous meats, lbs.....	74,589	64,836	51,570	71,181
Lard, lbs.....	218,267	186,250	121,618	153,969
Eggs, cases.....	9,503	9,364	6,431	9,318
Eggs, frozen (case equivalent).....	3,075	2,943	2,832	2,876
Butter, creamery, lbs.....	150,907	106,378	110,247	128,497
Cheese, all varieties, lbs.....	94,300	78,715	76,327	94,815

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

Lumber

Retail lumber sales, as indicated by the reports of 157 yards in the District, although 8.2 per cent smaller in July than in June, were 21 per cent larger than a year ago. Dollar sales of all materials were also below the June volume but exceeded the July, 1932, total by 19.3 per cent.

Stocks of lumber, in board feet, were increased 2.4 per cent during July but at the end of the month were 7.7 per cent lighter than on the corresponding date last year. Collections in July were equal to 24.2 per cent of amounts outstanding on June 30, which ratio compares with 22.7 per cent reported for June this year and 20 per cent for July last year.

Retail lumber trade as reported by 157 retail yards in percentages of increase or decrease:

	July 1933 Compared to	
	June 1933	July 1932
Sales of lumber, board feet.....	— 8.2	21.0
Sales of all materials, dollars.....	— 1.3	19.3
Stocks of lumber, board feet.....	2.4	— 7.7
Outstandings, end of month.....	— 1.5	— 16.2

Building

The F. W. Dodge Corporation reported the value of total building contracts awarded in the Tenth District during July at \$4,407,818 and the expenditures for residential construction at \$725,295. These totals reflect a decline of 46.2 per cent in total awards but an increase of 20.1 per cent in residential building as compared to July last year. The value of total awards is the smallest reported for any July in recent years which, excluding 1932, is also true of residential contracts.

The F. W. Dodge Corporation reports on total building contracts awarded in this District and the United States:

	TENTH DISTRICT		UNITED STATES	
	1933	1932	1933	1932
July.....	\$ 4,407,818	\$ 8,195,303	\$ 82,693,100	\$128,768,700
June.....	4,428,226	4,009,432	102,980,100	113,075,000
Seven months..	24,087,040	38,406,385	515,444,700	795,848,400

A consolidation of the reports of building permits issued in sixteen Tenth District cities during July shows that, although a slightly larger number of permits were issued during the month than a year ago, the estimated cost of construction declined.

The number and value of building permits issued in sixteen cities of this District:

	PERMITS		ESTIMATED COST	
	1933	1932	1933	1932
Albuquerque, N. M.....	44	43	\$ 17,563	\$ 29,523
Colorado Springs, Colo.....	18	25	10,885	10,522
Denver, Colo.....	306	271	161,683	189,015
Joplin, Mo.....	10	14	11,275	4,500
Kansas City, Kans.....	33	26	20,407	21,975
Kansas City, Mo.....	94	133	127,450	132,300
Lincoln, Nebr.....	44	27	32,389	26,660
Oklahoma City, Okla.....	60	79	68,115	142,684
Omaha, Nebr.....	79	61	106,955	110,575
Pueblo, Colo.....	22	36	6,167	4,172
Salina, Kans.....	13	10	16,200	5,315
Shawnee, Okla.....	13	2	10,800	300
St. Joseph, Mo.....	26	17	17,735	10,620
Topeka, Kans.....	47	42	20,945	18,620
Tulsa, Okla.....	54	49	72,715	24,275
Wichita, Kans.....	52	39	25,795	31,689
Total 16 cities, July.....	915	874	\$ 727,079	\$ 762,745
Seven months.....	6,413	7,349	4,693,173	7,747,618

Cement

Production of finished cement at Tenth District mills in July was the largest for any month since October and shipments the smallest since March. The July output was 18.4 per cent smaller than a year ago but shipments were 10.8 per cent larger.

Production, shipments, and stocks of finished cement as estimated by the Bureau of Mines in thousands of barrels:

	TENTH DISTRICT			UNITED STATES		
	Production	Shipments	Stocks	Production	Shipments	Stocks
July 1933.....	734	666	1,856	8,609	8,697	19,848
June 1933.....	718	701	1,789	7,804	7,979	19,936
July 1932.....	900	610	1,964	7,659	9,218	22,512
7 Months 1933	3,315	3,861	.....	36,277	36,624	.....
7 Months 1932	3,459	3,609	.....	41,815	43,522	.....

Bituminous Coal

Output of soft coal at mines in the six coal producing states of the District, as estimated from the weekly reports of the Bureau of Mines, increased seasonally in July. Total production for the month was 11.8 per cent greater than in July, 1932, but otherwise lower than for any July in recent years. The figures follow:

	*July 1933	*June 1933	July 1932
	Tons	Tons	Tons
Colorado.....	205,000	188,000	175,000
Kansas.....	93,000	92,000	78,000
Missouri.....	190,000	187,000	253,000
New Mexico.....	75,000	77,000	63,000
Oklahoma.....	100,000	56,000	68,000
Wyoming.....	245,000	227,000	175,000
Total six states.....	908,000	827,000	812,000
Total United States.....	29,457,000	25,320,000	17,857,000

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

Petroleum

Crude oil production in this District increased 88,000 barrels per day in July. Increases in Oklahoma and Kansas were large, whereas, changes in Wyoming, Colorado, and New Mexico were minor. The July output for these five states, as estimated from the weekly reports of the American Petroleum Institute, totaled 24,532,000 barrels and was the largest monthly total in three years. Compared to the Bureau of Mines estimates for June this year and July last year, the July production was 16.3 per cent larger than for the preceding month and 34.1 per cent larger than for the corresponding month of 1932.

The gross production figures, for the five states and the United States, follow:

	*July 1933	June 1933	July 1932
	Barrels	Barrels	Barrels
Oklahoma.....	18,435,000	15,507,000	13,075,000
Kansas.....	4,003,000	3,486,000	2,855,000
Wyoming.....	856,000	973,000	1,162,000
Colorado.....	77,000	77,000	94,000
New Mexico.....	1,161,000	1,051,000	1,101,000
Total five states.....	24,532,000	21,094,000	18,287,000
Total United States.....	82,165,000	82,841,000	66,310,000

*Estimated, American Petroleum Institute.

Mid-continent crude oil prices, which were more or less confused the greater part of July by numerous schedules, are now clarified. Current posted prices ranged from 30 cents per barrel for oil testing below 25 degrees gravity to 62 cents per barrel for oil testing 40 degrees and over. A year ago the price spread was from 76 cents to \$1 per barrel and two years ago from 30 cents to 42 cents per barrel.

Field operations although showing a slight increase over June, when they were the least active, are extremely light. There were fewer wells completed in July and a smaller number of rigs up and wells drilling at the close of the month than at any corresponding time in recent years.

Zinc and Lead

In comparison to the record low levels of a year ago, shipments of zinc ore and lead ore from the Tri-state district showed increases of 260 and 300 per cent, respectively, for the five weeks ended August 5, 1933, over the corresponding five weeks last year. As both classes of ore are selling much higher than a year ago, values show greater improvement than tonnage and are larger than at any time since January, 1931. The combined value of ores shipped for the first thirty-one weeks of 1933 exceeded that for all of last year.

Shipments of zinc ore for the five weeks ended August 5 were 0.8 per cent larger and of lead ore 34.2 per cent smaller than for the five weeks ended July 1.

Zinc ore and lead ore shipments from mines in Oklahoma, Kansas, and Missouri:

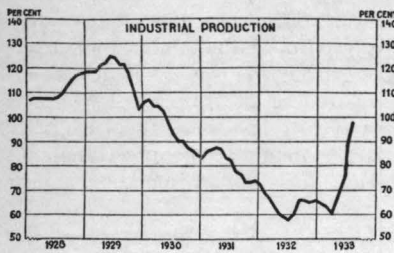
	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	17,777	\$ 608,002	2,274	\$118,432
Kansas.....	6,288	215,645	456	23,821
Missouri.....	787	26,430	183	9,544

5 Weeks ended Aug. 5, 1933.....	24,852	\$ 850,077	2,913	\$151,797
5 Weeks ended July 1, 1933.....	24,658	734,102	4,426	220,386
5 Weeks ended Aug. 6, 1932.....	6,910	113,526	728	19,463
31 Weeks ended Aug. 5, 1933.....	147,322	3,437,014	18,763	777,299
31 Weeks ended Aug. 6, 1932.....	89,686	1,548,701	14,625	518,172

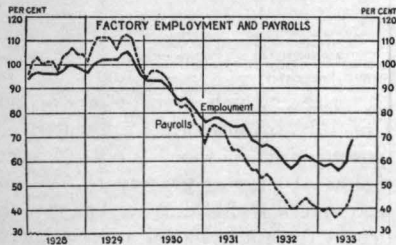
Zinc ore prices advanced \$2.50 per ton to \$35 as compared with the 1933 low of \$16, a 1932 low of \$14, a July, 1932, price of \$15 per ton and are now at the highest levels since June, 1930. Lead ore prices were unchanged at \$52.50 per ton as against \$32.50 January 1 and \$30 a year ago.

Business Conditions in the United States

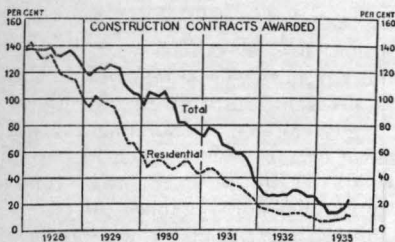
By the Federal Reserve Board



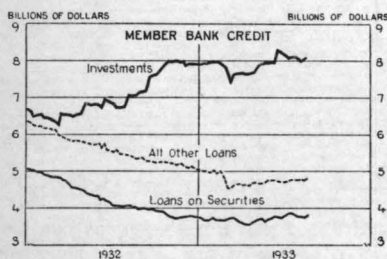
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure, July, 98.



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100.) Latest figures, July, employment, 68.9; payrolls, 49.9.



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 July, total 22, residential 13.



Wednesday figures for reporting member banks in 90 cities. Latest figures are for Wednesday, August 16.

Industrial production increased further from June to July, contrary to seasonal tendency, and in recent weeks has continued at a relatively high level. Since the middle of July there have been reductions in wholesale prices of leading raw materials while prices of many other products have advanced.

PRODUCTION AND EMPLOYMENT: Volume of industrial output, as measured by the Board's seasonally adjusted index, advanced from 91 per cent of the 1923-1925 average in June to 98 per cent in July, which compares with 60 per cent in March. The principal increase in July was at steel plants where activity advanced from 46 per cent of capacity to 59 per cent. Production in the lumber and coal industries was also in larger volume and daily average output of automobiles showed none of the usual seasonal decline. Output at shoe factories and woolen mills continued at an unusually high rate while consumption of cotton by domestic mills decreased somewhat. Cigarette production declined sharply from the high level of May and June. Since the middle of July a decrease has been reported in the output of steel.

Working forces and payrolls at factories increased considerably between the middle of June and the middle of July. As in other recent months the largest increases were generally at establishments fabricating raw materials into semi-finished products.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a decline in July followed by an increase in the first half of August. Total awards during the six weeks were in about the same volume as in the preceding six weeks and in larger volume than in earlier periods this year.

Department of Agriculture estimates as of August 1 indicate harvests generally smaller than a year ago. The cotton crop is forecast at 12,314,000 bales, a reduction of 700,000 bales from last season, reflecting curtailment in acreage as a part of the program of the Agricultural Adjustment Administration, offset in large part by an unusually high yield per acre. The wheat crop is estimated at 500,000,000 bushels, a reduction of 225,000,000 bushels from last year's small harvest. Feed crops are expected to be unusually small.

DISTRIBUTION: Freight traffic increased further from June to July by a substantial amount, but in recent weeks shipments, particularly of miscellaneous freight and grains, have been somewhat smaller. Department store sales declined in July by about the usual seasonal amount. They were larger than a year ago, however, and trade reports for the first half of August indicate an increase in sales.

WHOLESALE PRICES: Wholesale prices of commodities increased further during the first three weeks of July and, according to the index of the Bureau of Labor Statistics, there has been little change in their general level since that time. Prices of grains, cotton, and many imported raw materials, however, were considerably lower in the third week of August than in the middle of July while prices of textiles were higher, reflecting in part the application of the processing tax on cotton. Prices of leather and coal also advanced during this period.

FOREIGN EXCHANGE: In the exchange market the value of the dollar in terms of the French franc advanced from a low of 69 per cent of its gold parity on July 18 to 75 per cent at the beginning of August and since that time has fluctuated between 73 and 75 per cent.

BANK CREDIT: Net demand deposits of weekly reporting member banks in 90 cities declined between the middle of July and the middle of August, owing in large part to further withdrawals of bankers' balances from banks in New York City and elsewhere. The banks' loans decreased by \$71,000,000 during the period, reflecting chiefly a reduction in loans to brokers and dealers in securities. Their holdings of United States Government securities, after declining between July 19 and August 9, increased during the week ending August 16 in connection with Treasury financing at that time. Total reserves of all member banks increased by \$81,000,000 during the four-week period ending August 16, reflecting chiefly the purchase of \$42,000,000 of United States Government securities by the reserve banks and a return of \$23,000,000 of currency from circulation. The growth in member bank reserves, occurring at a time when reserve requirements were being reduced in consequence of the decline in their deposits, brought their excess reserves to a level above \$550,000,000. Money rates in the open market generally continued at low levels.