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

FEDERAL RESERVE BANK OF KANSAS CITY

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JUNE 1 crop conditions in this District were, on a whole, the poorest of record, spring grains, ranges, pastures, and meadows being particularly affected by the drouth which continued during May and the forepart of June. Rains of variable amount were received generally the second week of June, affording much temporary relief, but a deficiency of sub-soil moisture extends throughout the District. Nebraska and the central areas were the chief sufferers but injury was general. Pastures became brown, furnishing little feed, and spring grains ripened prematurely. Early hay crops were very short. The growth of corn was slow, but planting, which was delayed by the drouth, is about completed and fields are well cultivated. Cotton and sugar beets are reported in fair to good condition.

The dollar volume of May retail trade is indicated by reports of thirty-two department stores in the District as 8.7 per cent larger than in April and 17.2 per cent larger than a year ago. Sales of five representative wholesale lines combined showed gains of 6.1 per cent for the month and 13.8 per cent for the year. Inventories at both retail and wholesale establishments were substantially larger on May 31 than one year earlier. Collections improved as compared to May, 1933. For the first time since September last year, sales of lumber at retail were smaller than in the corresponding month of the preceding year, declining 9.5 per cent in May as compared to May, 1933. Business failures for the month were less numerous and liabilities the smallest since 1920.

Crude oil production, which exceeded Federal allowables, was about the same as in April but 20.2 per cent above a year ago. Quotations for mid-continent oil were unchanged, ranging from 76¢ to \$1.08 per barrel as against a flat price of 25¢ per barrel in May, 1933. Output of bituminous coal declined seasonally and the May tonnage was the smallest for the month in years. Shipments of zinc ore and lead ore from mines in the Tri-State district were substantially heavier than in either the preceding month this year or the corresponding month last year. Ore prices declined and are now lower than a year ago.

Shipping directions improved as grain prices advanced and, despite restricted sales, the May output of flour at Tenth District mills was 12.2 per cent larger than in April and, although 6.5 per cent less than a year ago, was equal to the normal output for the month.

Arrivals of grain at Tenth District markets continued abnormally light, reflecting short crops and the ability of producers to hold their grains for better prices. Harvest being about two weeks earlier than usual, new wheat commenced arriving at terminal markets the second week of June. Continued drouth and relatively high feed costs were largely accountable for the increased movement of livestock to market, receipts of all classes exceeding the ten-year average for May.

BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT

Percentages of Increase, or Decrease (—), for May 1934 over April 1934 and May 1933 and for the first five months of 1934 over the like period in 1933.

	May 1934 Compared to		5 Months 1934 Compared to
	Apr. 1934	May 1933	5 Months 1933
Banking			
Payments by check, 29 cities.....	— 5.6	21.5	23.3
Federal Reserve Bank clearings.....	0.5	34.3	51.1
Business failures, number.....	— 3.0	—65.2	—58.1
Business failures, liabilities.....	226.0	—46.6	—66.0
Loans, 52 member banks.....	0.4	— 4.5	.....
Investments, 52 member banks.....	— 2.2	23.5	.....
Net demand deposits, 52 member banks	3.8	27.3	.....
Time deposits, 52 member banks.....	— 0.5	4.6	.....
Savings deposits, 44 selected banks.....	1.0	10.8	.....
Savings accounts, 44 selected banks.....	— 0.4	3.9	.....
Distribution			
Wholesalers' sales, 5 lines combined.....	6.1	13.8	32.0
Retailers' sales, 32 department stores....	8.7	17.2	21.8
Lumber sales, 157 retail yards.....	4.2	— 9.5	13.1
Life insurance, written.....	0.1	28.3	23.9
Construction			
Building contracts awarded, value.....	—16.8	21.2	100.6
Residential contracts awarded, value....	17.2	— 6.7	40.6
Building permits in 17 cities, value.....	61.1	110.9	65.9
Production			
Flour.....	12.2	— 6.5	— 8.6
Crude petroleum.....	1.3	20.2	14.5
Soft coal.....	—19.3	—12.8	Even
Zinc ore (shipped) Tristate District.....	10.1	126.8	27.3
Lead ore (shipped) Tristate District.....	78.8	76.5	13.4
Cement.....	— 1.5	3.2	99.9
Grain receipts			
Wheat.....	— 9.3	—64.0	—33.9
Corn.....	— 3.9	—77.4	—18.2
Oats.....	169.7	—20.5	—38.8
Rye.....	—22.2	—86.0	—31.1
Barley.....	18.8	—68.9	— 4.2
Kafir.....	83.0	33.5	8.1
Livestock receipts, 6 markets			
Cattle.....	4.7	17.8	25.3
Calves.....	9.3	17.0	25.8
Hogs.....	43.5	9.4	1.4
Sheep.....	Even	— 2.1	— 5.4
Horses and mules.....	—13.4	54.2	58.9
Meat packing, 6 markets			
Cattle.....	13.4	24.6	31.9
Calves.....	16.3	54.4	60.2
Hogs.....	49.4	8.2	— 1.7
Sheep.....	— 0.7	—13.4	— 2.6
Stocker and feeder shipments, 4 markets			
Cattle.....	—21.7	—31.8	— 8.4
Calves.....	5.2	—40.2	—14.4
Hogs.....	21.9	—33.6	— 6.1
Sheep.....	2.6	—29.7	— 6.0

Prices of all grains advanced during the month to sell well above a year ago. At the livestock markets, limited supplies of finished steers sold higher than at any time since the fall of 1932, but most other classes sold off. As wool declined,

sheep and lambs were sharply lower for the month but closed substantially higher for the year. Hogs, selling below May, 1933, were down in May but mid-June advances were rapid and present prices are the highest since last October.

Farm purchasing power has declined one point each month the past four months, averaging 61 per cent of the 1909-1914 average of 100 on May 15 or the same as a year ago. The index of prices of farm products now stands at 74 per cent of pre-war and that of prices paid by farmers, for commodities purchased, at 121 per cent.

Member Bank Operations

A comparison of the weekly condition statements of fifty-two selected member banks in leading cities of this District discloses increases of 0.4 per cent in total loans and discounts and 3.8 per cent in net demand deposits during the five weeks' period ended June 13. Total investment holdings declined 2.2 per cent and time deposits were down 0.5 per cent.

The increase in loans and discounts resulted from a gain of \$2,669,000 in "all other" loans which more than offset a loss of \$1,873,000 in loans secured by stocks and bonds. Investments in United States Government securities were reduced \$10,160,000, whereas holdings of other bonds, stocks, and securities expanded \$2,743,000.

Compared to June 14, 1933, total loans and discounts as of June 13 this year were 4.5 per cent smaller, and total investments were 23.5 per cent, net demand deposits 27.3 per cent, and time deposits 4.6 per cent larger. Net demand deposits, which are now a third larger than in March, 1933, are higher than at any time since September 16, 1931, and less than 20 per cent below the peak of August 14, 1929.

The principal items contained in the weekly condition statements of the reporting member banks are shown for the three dates of comparison in the following table:

	June 13, 1934	May 9, 1934	June 14, 1933
Loans and investments—total.....	\$537,909,000	\$544,530,000	\$483,577,000
Loans and discounts—total.....	202,164,000	201,368,000	211,764,000
Secured by stocks and bonds.....	60,983,000	62,856,000	58,367,000
All other loans and discounts.....	141,181,000	138,512,000	153,397,000
Investments—total.....	335,745,000	343,162,000	271,813,000
U. S. securities.....	221,769,000	231,929,000	161,222,000
Other bonds, stks., and sec.....	113,976,000	111,233,000	110,591,000
Reserve with F. R. bank.....	82,405,000	83,049,000	48,751,000
Net demand deposits.....	424,625,000	409,260,000	333,628,000
Time deposits.....	167,565,000	168,362,000	160,173,000
Government deposits.....	16,629,000	19,651,000	952,000

Federal Reserve Bank Operations

Changes in the principal items contained in the weekly condition statements of the Federal Reserve Bank of Kansas City and branches at Omaha, Denver, and Oklahoma City between May 9 and June 13 were slight. Holdings of bills rediscounted for member banks, bills purchased in the open market, and United States Government securities declined. Total resources increased 1.7 per cent, member banks' reserve deposits 3.1 per cent, and Federal reserve note circulation 0.2 per cent.

The statement of June 13 this year compared to that of June 14, 1933, shows member banks reduced their indebtedness to this bank and branches from \$11,149,069 to \$214,281 during the year. Purchases of United States Government securities increased from \$60,558,100 on June 14, 1933, to \$91,844,200 on June 13, 1934, and total holdings of bills and securities were \$20,210,042 greater on the latter date than one year earlier. A total of \$870,000 in Federal reserve bank notes outstanding a year ago was completely retired and Federal reserve note circulation declined 4.5 per cent.

Changes in the principal items contained in the weekly condition statement of this bank and branches, in five weeks and fifty-two weeks, are indicated in the following table of comparisons:

	June 13, 1934	May 9, 1934	June 14, 1933
Total reserves.....	\$162,759,243	\$160,795,217	\$132,462,318
Bills discounted.....	214,281	263,089	11,149,069
Bills purchased.....	142,121	170,479	283,391
U. S. securities.....	91,844,200	93,444,200	60,558,100
Total bills and securities.....	92,200,602	93,877,768	71,990,560
Total resources.....	291,188,024	286,302,687	230,677,623
F. R. notes in circulation.....	106,939,510	106,767,060	111,954,275
F. R. Bank notes in cir.—net.....	.....	.....	870,000
Member banks' reserve deposits.....	140,346,397	139,122,240	78,006,712

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

CLEARINGS: Check collections through the Federal Reserve Bank of Kansas City and branches during May totaled 4,780,073 items for \$704,981,000 as compared with 4,915,071 items and \$701,455,000 in April, and 4,213,096 items and \$524,805,000 in May, 1933. Totals for the five months this year compared to the first five months last year show an increase of 40.9 per cent in the number of items handled and an increase of 51.1 per cent in their aggregate amount.

Bank Debits

Banks in twenty-nine clearing house cities of the District reported the volume of checks debited to individual accounts during the four weeks and twenty-two weeks ended May 30 this year as 21.5 and 23.3 per cent, respectively, larger than in the corresponding periods of 1933. The total for the four weeks' period fell 5.6 per cent short of the total reported for the four weeks ended May 2.

Check payments in 266 cities in the United States during May were 13.3 per cent larger than a year ago.

PAYMENTS BY CHECK

	FOUR WEEKS ENDED		Per cent Change
	May 30, 1934	May 31, 1933	
Albuquerque, N. M.....	\$ 7,836,000	\$ 4,897,000	60.0
Atchison, Kans.....	2,388,000	2,435,000	— 1.9
Bartlesville, Okla.....	18,868,000	15,662,000	20.5
Casper, Wyo.....	3,442,000	3,278,000	5.0
Cherokee, Wyo.....	5,059,000	3,779,000	33.9
Colorado Springs, Colo.....	9,643,000	7,986,000	20.7
Denver, Colo.....	103,792,000	81,425,000	27.5
Enid, Okla.....	6,532,000	6,419,000	1.8
Fremont, Nebr.....	1,827,000	1,413,000	29.3
Grand Junction, Colo.....	1,495,000	987,000	51.5
Guthrie, Okla.....	1,101,000	962,000	14.4
Hutchinson, Kans.....	7,348,000	8,594,000	— 14.5
Independence, Kans.....	3,732,000	1,987,000	87.8
Joplin, Mo.....	6,503,000	5,436,000	19.6
Kansas City, Kans.....	8,553,000	6,875,000	24.4
Kansas City, Mo.....	225,209,000	196,460,000	14.6
Lawrence, Kans.....	2,293,000	2,221,000	3.2
Lincoln, Nebr.....	20,044,000	16,432,000	22.0
Muskogee, Okla.....	5,634,000	5,014,000	12.4
Oklahoma City, Okla.....	59,977,000	49,105,000	22.1
Okmulgee, Okla.....	2,472,000	1,728,000	43.1
Omaha, Nebr.....	109,132,000	94,840,000	15.1
Pittsburg, Kans.....	2,469,000	2,433,000	1.5
Pueblo, Colo.....	10,616,000	9,043,000	17.4
Salina, Kans.....	5,663,000	5,267,000	7.5
St. Joseph, Mo.....	23,565,000	19,851,000	18.7
Topeka, Kans.....	12,344,000	8,819,000	40.0
Tulsa, Okla.....	81,656,000	52,280,000	56.2
Wichita, Kans.....	27,610,000	23,525,000	17.4
Total 29 cities, 4 weeks.....	\$ 776,803,000	\$ 639,153,000	21.5
Total 29 cities, 22 weeks.....	4,315,266,000	3,499,813,000	23.3
U. S. 266 cities, 4 weeks.....	26,667,279,000]	23,528,077,000	13.3

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

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED		
	May 1934 compared to May 1933	Year 1934 compared to Year 1933	May 31, 1934 compared to April 30, 1934		May		Year		May 31, 1934 compared to Apr. 30, 1934		May 1934 compared to Apr. 1934		
			1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	
Kansas City.....	4	20.8	20.9	— 1.7	3.6	.22	.19	1.07	.89	1.1	9.6	0.5	13.7
Denver.....	4	11.3	19.1	— 1.0	14.6	.29	.30	1.36	1.24	2.4	11.6	9.6	17.8
Oklahoma City....	3	24.4	26.0	2.5	6.9	.37	.32	1.77	1.46	5.3	6.1	4.8	26.7
Tulsa.....	3	14.0	19.6	0.4	18.2	.36	.38	1.91	2.08	— 3.7	4.6	5.2	17.5
Wichita.....	3	24.2	26.2	— 0.2	27.8	.31	.32	1.36	1.23	5.9	7.0	2.1	26.3
Other cities.....	15	16.9	22.9	— 4.2	14.9	.28	.28	1.23	1.14	7.9	1.8	3.7	15.0
Total.....	32	17.2	21.8	— 1.6	11.5	.28	.27	1.31	1.17	3.8	7.1	4.9	17.9

NOTE: Percentage of collections in May on open accounts April 30, all stores reporting 42.1. Collections same month last year 38.1.

Savings in Banks

Reports of a selected list of forty-four banks, in cities of the Tenth District, show the aggregate of their savings deposits increased 1 per cent between May 1 and June 1, although the total number of savings accounts declined 0.4 per cent. The amount of savings deposits of the reporting banks increased 10.8 per cent between June 1, 1933, and June 1, 1934, and the number of accounts increased 3.9 per cent.

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

	Savings Accounts	Savings Deposits
June 1, 1934.....	378,091	\$109,836,557
May 1, 1934.....	379,589	108,738,451
June 1, 1933.....	364,047	99,126,622

Failures

Business insolvencies in the United States and this District reached new low levels for recent years in May. The number of failures in the District during the month was the smallest for any month since September, 1920, and for the United States the smallest since October of that year.

Liabilities involved in Tenth District defaults, although the largest of the year, were the smallest for the month since 1920. The aggregate amount for the United States was the smallest for any month since May, 1920, February, 1934, excepted.

The number of business failures in May and the amount of liabilities involved, with comparisons, as reported by Dun and Bradstreet, Inc.:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
May 1934.....	32	\$ 851,327	977	\$ 22,560,835
April 1934.....	33	261,170	1,052	25,786,975
May 1933.....	92	1,595,439	1,909	47,971,579
Five months 1934.....	213	2,663,092	5,544	127,925,467
Five months 1933.....	508	7,832,737	11,075	292,245,839

Trade

Thirty-two department stores in the District reported their May sales in dollars were 8.7 per cent larger than in April and 17.2 per cent larger than in the corresponding month a year ago. The increase for the month was the second and largest in five years and compares with an increase of 4.6 per cent last year. The improvement over a year ago was, excluding April, the smallest since November. Sales for the first five months of the year were, for the first time in five years, larger than in the like period of the preceding year, increasing 21.8 per cent.

Inventories declined seasonally in May but stocks on hand at the close of the month were, following four years of declines, 11.5 per cent heavier than on May 31, 1933.

Collections showed little change for the month but were better than a year ago, averaging 42.1 per cent of amounts outstanding at the close of the preceding month as against 41.8 per cent in April this year and 38.1 per cent in May last year.

Combined sales of wholesalers, engaged in five lines of distribution in the District, showed gains of 6.1 per cent for May as compared to April, 13.8 per cent for May over May last year, and 32 per cent for the year to June 1 as compared to the same five months of 1933. By individual lines, wholesalers of dry goods and furniture reported slight decreases for the month, whereas dollar sales of groceries, hardware, and drugs increased somewhat. Compared to May, 1933, sales of dry goods increased 13.3, hardware 24.9, and drugs 32.1 per cent, and sales of groceries declined 6.5 per cent and furniture 1.2 per cent. All five lines reported sales for the year to date as substantially above a year ago.

Stocks of merchandise on hand at wholesale furniture establishments May 31 were almost twice as large as the like date last year and inventories of dry goods, hardware, and drugs were 34.4, 28.8, and 8.9 per cent, respectively, heavier. Inventory changes for the month were slight except for an 8.1 per cent reduction in grocery stocks which at the close were 4 per cent lighter than last year. Accounts receivable, on the whole, show a reduction for the year and collections a gain.

Lumber

Reports covering 157 retail lumber yards, located in the Tenth District, reflect increases of 4.2 per cent in sales of lumber in board feet and 6.3 per cent in dollar sales of all materials for May as compared to April. Lumber sales were, for the first time this year, below the like month last year, declining 9.5 per cent as compared to May, 1933, whereas sales of all materials showed a gain of 37.4 per cent.

Stocks of lumber on hand May 31 were 1 per cent smaller than one month or one year earlier. Collections improved, averaging 35.1 per cent of amounts outstanding at the close of the preceding month as against 31 per cent for April this year and 22.7 per cent for May last year.

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Reporting Stores	SALES		OUTSTANDINGS		AMOUNTS COLLECTED		STOCKS	
	May 1934 compared to Apr. 1934	May 1933	May 31, 1934 compared to Apr. 30, 1934	May 31, 1933	May 1934 compared to Apr. 1934	May 1933	May 31, 1934 compared to Apr. 30, 1934	May 31, 1933
Dry goods.....	6	— 1.6	13.3	0.4	— 2.0	13.8	— 2.2	34.4
Groceries.....	5	11.7	— 6.5	6.1	— 24.7	8.5	— 8.1	— 4.0
Hardware.....	9	10.1	24.9	2.3	8.1	11.4	— 2.2	28.8
Furniture.....	4	— 2.9	— 1.2	— 2.5	0.1	5.1	21.5	93.0
Drugs.....	7	5.1	32.1	— 1.1	— 2.7	1.3	24.3	8.9

May business is herewith compared to that for April, 1934, and May, 1933, in percentages of increase or decrease:

	May 1934 Compared to	
	April 1934	May 1933
Sales of lumber, board feet.....	4.2	— 9.5
Sales of all materials, dollars.....	6.3	37.4
Stocks of lumber, board feet.....	— 1.0	— 1.0
Outstandings, end of month.....	2.5	— 2.9

According to reports of the National Lumber Manufacturers Association, national lumber production for the week ended June 2 was 12 per cent below that for the same week of 1933, shipments were 33 per cent less, and orders booked 40 per cent less. Production for the year to June 2 was 44 per cent, shipments 8 per cent, and orders 6 per cent larger than in the first twenty-two weeks of 1933.

Building

Building activity, although showing some improvement over last year, remains substantially below normal. Total expenditures for the District during May, as reported by the F. W. Dodge Corporation, were 21.2 per cent larger than a year ago but equal to only one-third the average outlay for the past eight years. Expenditures for residential construction showed declines of 6.7 per cent as compared to May, 1933, and 80 per cent as compared to the average.

Construction operations in this District and the United States as reported by the F. W. Dodge Corporation:

TOTAL BUILDING CONTRACTS AWARDED

	TENTH DISTRICT		UNITED STATES	
	1934	1933	1934	1933
May.....	\$ 4,963,914	\$ 4,094,541	\$134,445,700	\$ 77,171,700
April.....	5,967,104	2,026,945	131,413,800	56,573,000
Five months	30,588,239	15,250,996	728,479,300	329,771,500

Permits issued by building departments of seventeen reporting cities totaled 1,368 in May, 1,340 in April, and 1,289 in May, 1933. Estimated expenditures amounted to \$1,725,935 this month, \$1,071,212 last month, and \$818,428 last May.

BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1934	1933	1934	1933
Albuquerque, N. M.....	43	24	\$ 30,991	\$ 11,915
Cheyenne, Wyo.....	31	58	23,543	13,813
Colorado Springs, Colo.....	31	23	17,812	5,084
Denver, Colo.....	314	492	151,579	194,838
Joplin, Mo.....	17	12	6,450	3,300
Kansas City, Kans.....	31	55	19,115	16,090
Kansas City, Mo.....	276	148	246,600	153,700
Lincoln, Nebr.....	144	49	52,771	29,295
Oklahoma City, Okla.....	72	71	56,190	85,739
Omaha, Nebr.....	107	73	789,354	152,245
Pueblo, Colo.....	47	43	7,584	6,167
Salina, Kans.....	6	9	2,175	2,050
Shawnee, Okla.....	10	8	7,175	11,520
St. Joseph, Mo.....	22	37	71,390	25,470
Topeka, Kans.....	54	55	20,385	47,885
Tulsa, Okla.....	89	70	69,905	23,787
Wichita, Kans.....	74	62	152,916	35,530
Total 17 cities, May.....	1,368	1,289	\$1,725,935	\$ 818,428
Five months.....	5,001	4,534	5,336,336	3,216,519

Flour Milling

Flour prices advanced sharply with wheat as drouth conditions reduced crop prospects. Buyers were indifferent to the early advances and, as prices held, adopted the policy of purchasing only for immediate needs, and May sales, especially round lots, were the lightest in recent years. Export sales were unimportant.

Higher prices enabled mills to get out of old contracts either through cancellations, which on overdue bookings were frequent, or delivery, and milling operations improved with shipping directions. May production of flour at mills in this District

was 12.2 per cent larger than in April, 6.5 per cent less than a year ago, and equal to the ten-year average output for the month. Mills operated at 60.4 per cent of full-time capacity as against 58.2 per cent in April and 64.6 per cent in May, 1933.

Flour production at the principal milling centers of the Tenth District as estimated from the weekly reports of southwestern mills to the Northwestern Miller:

	May 1934	April 1934	May 1933
	Barrels	Barrels	Barrels
Atchison.....	129,220	118,808	134,135
Kansas City.....	522,076	451,015	583,564
Omaha.....	111,458	106,437	111,830
Salina.....	146,461	130,410	125,169
Wichita.....	166,997	135,684	165,991
Outside.....	861,050	784,285	951,866

Total.....	1,937,262	1,726,639	2,072,555
*United States.....	4,993,003	4,959,082	5,920,003

*Represents about 60 per cent of the total output in the United States.

Millfeed demand strengthened as pastures and feed supplies were cut by the drouth, bran closing about \$2 and shorts \$1.50 per ton higher for the month.

Grain Marketing

May receipts of wheat, corn, rye, and barley at the five principal grain markets of the Tenth District were the smallest for the month in fifteen years of record. Arrivals of wheat were equal to 47, corn 34, and rye and barley 29 per cent of the ten-year average volume. Marketings of oats and kafir were also unusually light, the former being 25 per cent and the latter 46 per cent below normal. Receipts of kafir were a third larger than in May, 1933.

Receipts of wheat at the five markets during the eleven months of the crop year, July 1 to May 31, amounted to but 68,748,400 bushels as compared to 126,861,450 bushels in the preceding wheat year and 252,180,850 bushels between July 1, 1931, and May 31, 1932.

Arrivals of grain at the five markets during May with comparisons:

	Wheat	Corn	Oats	Rye	Barley	Kafir
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Hutchinson.....	753,300	8,750	-----	-----	-----	31,200
Kansas City.....	1,190,400	508,500	132,000	6,000	24,000	147,000
Omaha.....	451,200	421,400	146,000	8,400	6,400	-----
St. Joseph.....	326,400	288,000	492,000	-----	-----	3,000
Wichita.....	801,000	58,500	-----	-----	-----	-----

May 1934.....	3,522,300	1,285,150	770,000	14,400	30,400	181,200
April 1934.....	3,884,800	1,336,750	285,500	18,500	25,600	99,000
May 1933.....	9,790,850	5,698,200	969,000	102,700	97,750	135,700
5 Mos. 1934.....	20,961,650	12,705,600	2,589,500	218,900	237,450	735,700
5 Mos. 1933.....	31,708,900	15,534,650	4,231,500	317,700	247,850	680,300

Wheat, corn, and oats met a good demand and terminal elevator stocks were again drawn upon. Price strength featured the market with all grains sharply higher under the stimulus of adverse crop conditions and a closer adjustment of supply and demand. Wheat advanced 22 cents, corn 13, oats 12, rye 16½, barley 13½, and kafir 19 cents per bushel during the month. Closing prices for all grains were substantially higher than on May 31, 1933. Hay markets were firm and active at prices well above a year ago.

Changes in cash grain prices at Kansas City, in May and the first two weeks of June, 1934, and 1933, are reflected in the following table in cents per bushel:

	June 15	May 31	Apr. 30	June 15	May 31	Apr. 29
	1934	1934	1934	1933	1933	1933
No. 1 dark wheat.....	\$.88	\$.95	\$.73	\$.71½	\$.69	\$.66
No. 2 mixed corn.....	.54½	.55	.42	.40	.40½	.34½
No. 2 white oats.....	.42½	.43	.31	.28½	.25	.24½
No. 2 rye.....	.62	.72	.55½	.56	.48	.48½
No. 2 barley.....	.51	.55	.41½	.33	.30½	.32½
No. 2 kafir.....	.92	1.03	.84	.87	.82	.73

Harvest is earlier than usual and a few scattered cars of new wheat arrived at terminal markets the second week of June and the movement was general the following week.

Exports of wheat and flour from the United States since July 1, 1933, have totaled about 40,250,000 bushels, or 1,500,000 bushels more than last season to date. Wheat in store at principal markets on June 9 was reported by the Department of Agriculture at 76,152,000 bushels this year and 119,310,000 bushels last year. Holdings of corn, oats, and rye were slightly larger than a year ago.

Crops

General crop prospects in the states of Nebraska, Kansas, Missouri, Colorado, and Wyoming as of June 1 were described by the state boards of agriculture of the respective states as the poorest of record, and conditions in Oklahoma and New Mexico were considerably below normal. Excessive temperatures, subnormal rainfall, and hot winds, except in a few favored and widely scattered areas, caused rapid deterioration of all vegetation during May and the forepart of June. Injury was most severe in Nebraska, western Kansas, eastern Colorado, Wyoming, and the Oklahoma panhandle. Wheat, oats, rye, barley, tame and wild hay, pastures and ranges, and fruit were all adversely affected. Corn planting in the drier areas was delayed and germination retarded. Crops in the irrigated sections of New Mexico were further advanced on June 1 than usual but all irrigated regions were threatened with a shortage of water unless substantial rains were received in the immediate future. Water for livestock was reported exceedingly short in most areas. The Government fight against chinch bugs and grasshoppers, which have menaced crops, has commenced.

Winter wheat prospects in this District were reduced one-fifth, or approximately 40,000,000 bushels between May 1 and June 1. The loss was primarily in the states of Nebraska and Kansas, the former, where wheat came through the winter in good shape, reporting abandonment as terrific and the second heaviest of record, and showing the greater percentage decline. Colorado, New Mexico, and Wyoming also reported reductions, but estimates from Missouri and Oklahoma were unchanged for the month.

Production of winter wheat in the seven states of this District and the United States, as estimated by the United States Department of Agriculture, for the dates indicated:

	Indicated June 1, 1934	Indicated May 1, 1934	Final 1933	Average 1927-1931
Colorado.....	6,242,000	8,212,000	2,412,000	15,491,000
Kansas.....	80,436,000	99,362,000	57,452,000	175,876,000
Missouri.....	18,993,000	18,993,000	16,600,000	20,225,000
Nebraska.....	15,780,000	34,190,000	25,894,000	62,866,000
New Mexico.....	616,000	847,000	1,210,000	3,421,000
Oklahoma.....	35,880,000	35,880,000	33,095,000	52,641,000
Wyoming.....	708,000	1,180,000	808,000	1,707,000
Seven states.....	158,655,000	198,664,000	137,471,000	332,227,000
United States....	400,357,000	461,471,000	351,030,000	632,061,000

Wheat ripened prematurely, resulting in some shriveled grain, and harvest, which by June 15 was general, is about two

weeks earlier than usual. Oats are exceedingly poor and owing to pasture needs a large portion of the acreage is being pastured or cut for hay. Some wheat is also being pastured, especially in Nebraska. The rye and barley crop will also be very short.

Corn planting is virtually completed. In eastern Kansas and parts of Missouri corn is very good but, on the whole, ranges from fair to poor. The crop is clean and well cultivated generally and, although growth has been slow, very little corn has been permanently damaged and, with timely rains and favorable weather the balance of the season, will make good yields.

Pastures and ranges declined sharply during May and the condition on June 1 was the lowest of record and, owing to the poor grazing, a large portion of the hay meadows will be forced into pasturage to carry present livestock numbers. Some feeding of old hay was necessary and the present outlook is for an unprecedented shortage of hay and forage the coming winter. Weather conditions were favorable for haying but due to green bug and drouth injury yields were light. The first cutting of alfalfa was very short and new growth has been slow.

Oklahoma reports the condition and progress of cotton as mostly good but growth rather slow in scattered local areas. Sugar beets, although doing well, are needing rain. Thinning has commenced. Planting of late potatoes in Wyoming and the digging of early potatoes in Oklahoma, injured by hot, dry weather, is under way.

In general a good fruit year is forecast for Colorado, Oklahoma, and New Mexico, with prospects unfavorable in the other states of the District, particularly Nebraska. The condition of fruit declined generally in May, strawberries, raspberries, and apples being injured extensively. On June 1, peaches and pears held greater promise than a year ago in all states except Nebraska. The pear crop in Oklahoma and New Mexico was above the five-year average condition and District production was estimated at 1,111,000 bushels as against 602,000 bushels in 1933 and 1,104,000 bushels as the average for the years 1927 to 1931, inclusive. Tenth District production of peaches was estimated at 3,214,000 bushels for 1934, 915,000 bushels in 1933, and 2,421,000 bushels in the five years. The Colorado peach crop will be slightly less than the record crop of 1932 and the Oklahoma crop the third largest since 1916. Apples in Oklahoma are in the best condition since 1924, above normal in New Mexico, slightly below normal in Colorado, and substantially below normal in the other states. The June 1 condition of cherries in Colorado was the highest in recent years and much better than a year ago in the other states where picking was general by June 15.

Rains the second and third week of June were general over the District and very beneficial to unmaturing crops, meadows, and pastures. Late planted corn germinated well and sorghums and emergency forage crops are being planted under more favorable conditions. Both surface and subsoil moisture are still lacking in all states.

PERCENTAGE OF CONDITION OF TENTH DISTRICT CROPS ON JUNE 1, 1934 AS COMPARED TO THE 1922-1931 AVERAGE
(From reports of the United States Department of Agriculture)

	Spring Wheat		Oats		Rye		Barley		Tame Hay		Wild Hay		Pastures		Apples		Peaches	
	1934	Aver.	1934	Aver.	1934	Aver.	1934	Aver.	1934	Aver.	1934	Aver.	1934	Aver.	1934	Aver.	1934	Aver.
Colorado.....	56	87	63	88	57	83	58	87	70	88	76	89	59	87	71	77	79	78
Kansas.....	37	72	49	74	52	78	33	74	48	81	63	84	52	86	55	61	39	44
Missouri.....	60	78	43	73	68	83	48	80	42	76	56	83	48	83	44	62	31	48
Nebraska.....	45	86	26	84	33	84	33	85	29	84	38	84	33	85	37	65	16	52
New Mexico.....	53	80	50	81	---	---	36	81	63	85	36	82	44	80	73	63	62	43
Oklahoma.....	---	---	59	72	57	79	39	71	65	81	69	84	65	86	65	54	77	42
Wyoming.....	46	90	55	91	49	89	56	92	58	90	53	90	48	93	48	82	---	---
United States.....	41.3	83.3	47.2	82.1	43.5	80.8	44.7	83.4	53.9	82.0	37.7	80.3	53.2	83.0	48.7	69.2	58.3	66.7

United States winter wheat prospects declined 61,000,000 bushels, or 13 per cent during May, and the June 1 indicated production of 400,357,000 bushels, although above last year's short crop, is 37 per cent below the 1927 to 1931 average, according to estimates of the United States Department of Agriculture. Spring wheat production is estimated at about 100,000,000 bushels and total wheat production at approximately 500,000,000 bushels, or the smallest since 1893. The year's oats harvest is tentatively placed at less than 700,000,000 bushels also less than in any year since 1893.

The present condition of winter wheat is the lowest since 1895 and of oats, tame hay, wild hay, and pastures the lowest in forty years or more of record. The national hay crop, tame and wild, is estimated at 50,000,000 tons compared with 74,000,000 tons cut last year, and a five-year average yield of 84,000,000 tons. Although favorable weather would revive pastures and meadows and assure emergency hay and forage crops, an acute shortage of hay in many states is reported unavoidable. Apple prospects are unusually poor and the peach crop is forecast as 16 per cent less than the average and the pear crop 5 per cent less.

Canadian spring wheat also suffered seriously from the drought and the June 1 condition was the lowest on records covering the past twenty-six years. Stocks of old wheat, however, are large and will offset in part low yields.

Livestock

MARKETING: Receipts of cattle and calves at the six principal markets of this District in May were the heaviest since November and of hogs, including shipments direct to packers' yards, the largest since January. May receipts of cattle were the largest since 1927, calves since 1924, and hogs since 1929. Distressed shipments from dry areas and relatively high feed costs, the corn-hog ratio at the close of May of 6.5 bushels of corn required to buy 100 pounds of pork being the lowest in the twenty-four years of official record, accounted largely for the increased offerings which included many poor and unfinished animals. Shipments from drouth stricken areas were heavier to northern markets than to the markets of this District.

Offerings of sheep and lambs were the third largest for the month in the past four and fifteen years. Marketings of horses and mules totaled 9,598 head in May, a high record, as compared to 11,086 in April and 6,223 in May, 1933. Trading in horses and mules included sales to the Arkansas Relief Commission for rehabilitation purposes and to the Colombian Government.

PRICES: Weighty steers being scarce, good cattle advanced 50 cents per hundredweight in May with sales at Omaha and Kansas City reaching \$9 per hundredweight, the highest price paid since October, 1932, and \$2 above a year ago. Other

classes of cattle declined 25 to 75 cents, stockers and feeders showing the greater weakness at the close. Demand was broad and recessions were moderate considering the liberal offerings of plain to common kinds.

Hog prices fluctuated narrowly, closing 20 to 25 cents per hundred pounds lower for the month and \$1.40 under last May. Quality was, on the whole, plain, with offerings of unfinished hogs increasing as the month drew to a close. Government purchases and distant buyers relieved the pressure on light-weights somewhat. Rapid advances after the first week of June carried values to a top of \$4.85 at Kansas City on June 21. Benefit payments under the Government's corn-hog adjustment program are being made in a number of counties.

A sharp decline in wool was the dominant factor in losses of \$1 or more in fat lamb values. Shipping demand narrowed and other classes showed losses of \$1.50 to \$3 in extreme cases, old wethers and ewes showing the greatest loss. Native spring lambs reached \$11.75 per hundredweight as compared to \$7.65 in May, 1933.

Hot weather had a depressing effect on the demand for dressed meats of all kinds. In May, 1933, sheep and lamb and swine values scored good advances.

STOCKERS AND FEEDERS: General drouth and the relative high price of corn retracted the movement of stocker and feeder livestock to the country. The out-movement of cattle from four Tenth District markets was, May, 1932, excepted, the smallest for the month in fourteen years of record, that of hogs since 1921, and of sheep since 1926. The outgo of cattle was equal to 63.4, calves 100, hogs 64.3, and sheep and lambs 81 per cent of the average movement for the month the past ten years.

PASTURES AND RANGES: The Department of Agriculture reported the spring movement of cattle into the Flint Hills of Kansas and the Osage pastures of Oklahoma, from January 1 to May 31, totaled 323,000 head this year compared to 315,000 in 1933, 294,000 in 1932, and 356,000 as the 1928 to 1932 average. April receipts were large and May receipts below normal. The June 1 condition of pastures was good except in the northern part of the Blue Stem region where water was short up to the second week of June when rains were received. Pastures are well stocked, carrying less than the usual proportion of aged cattle and larger numbers of young stock and native cattle. June rains assured both regions sufficient stock water. Stock is in good flesh, with the normal out-movement expected.

Western range conditions, which declined 10 points during May, are generally poor, the present drouth covering the largest area of any in the present century. Northeastern Wyoming, western Kansas, western Oklahoma, western Nebraska, eastern Colorado, and northeastern New Mexico, where feed prospects

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.....	107,711	23,074	*387,998	177,287	21,929	2,434	4,591	19,820	63,710	22,655	*368,974	117,364
Omaha.....	173,528	10,477	266,061	125,068	13,770	1,432	2,827	10,025	99,119	9,045	211,440	106,039
St. Joseph.....	43,939	10,076	171,936	113,131	3,111	376	945	8,695	35,114	9,622	165,393	95,671
Denver.....	23,425	5,212	62,457	257,671	5,873	2,542	436	11,993	13,350	2,950	46,468	10,620
Oklahoma City.....	28,170	4,700	36,255	15,731	-----	-----	-----	-----	18,781	4,049	33,073	15,322
Wichita.....	16,970	4,168	41,709	17,745	-----	-----	-----	-----	7,412	4,031	40,226	17,306
May 1934.....	393,743	57,707	966,416	706,633	44,683	6,784	8,799	50,533	237,486	52,352	865,574	362,322
April 1934.....	375,975	52,783	694,216	706,713	57,041	6,448	7,221	49,243	209,372	44,997	579,216	364,736
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
Five months 1934.....	1,807,008	266,095	4,019,228	3,158,747	256,663	42,078	35,203	258,521	1,076,297	219,061	3,438,604	1,795,111
Five 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

*Includes 242,223 hogs shipped direct to packers' yards.

are poor and water short, are the areas of this District where the situation is most serious. Shrink has replaced the usual gains and the condition of cattle declined 2 points and of sheep and lambs 3 points during May. The June 1 condition of cattle was the lowest for the date in twelve years. Although the lambing percentage was large and the calf crop good, both calves and lambs are making a poor start. According to the Bureau of Agricultural Economics, if drouth conditions are not relieved much livestock will be forced to move and losses will be heavy.

Owing to the prevailing drouth, there has been very little contracting of feeder lambs for fall delivery. Hay meadows and fields of wheat and oats, over a wide area, have been forced into pasturage to carry present livestock numbers. Contracted acreage in many drouth stricken areas has recently been released by the Government for the production of late forage crops in an attempt to relieve the impending shortage of hay and forage for the coming winter.

DAIRY AND POULTRY: High feed prices and drouth, in the areas of large production, have curtailed butter production and the burdensome surpluses of recent months have disappeared. Egg production has also declined from the same causes, and the hot weather has caused farmers to sell off their poultry. Consumption of both eggs and butter is less than last year. Prices paid by wholesalers and processors for poultry, eggs, and butterfat declined in May but butterfat regained the loss by mid-June and is now selling slightly above a year ago as are poultry and eggs.

Meat Packing

Operations at Tenth District meat packing plants, as indicated by packers' purchases of livestock at the six market centers, were the heaviest of the year. More cattle and calves were purchased in May than in any month since October. The slaughter of cattle was the largest for the month since 1927 and of calves in over fifteen years. Purchases of hogs, including direct shipments, were 8.2 per cent above May, 1933, and 9.4 per cent above the ten-year May average. The May slaughter of sheep and lambs was 13.4 per cent less than a year ago and 2.6 per cent below normal.

National slaughter of cattle and calves under Federal meat inspection during May was the largest for any May on records beginning in 1907 and, for the thirteenth successive month, larger than a year ago. The May slaughter of sheep was the smallest since 1929 and of hogs, 1933 excepted, the largest since 1924.

Federally inspected slaughter of meat animals:

	Cattle	Calves	Hogs	Sheep
May 1934.....	864,000	600,000	4,217,000	1,244,000
April 1934.....	749,000	525,000	3,411,000	1,163,000
May 1933.....	717,000	475,000	4,286,000	1,504,000
Five months 1934....	3,948,000	2,568,000	19,492,000	6,216,000
Five months 1933....	3,131,000	1,961,000	20,081,000	6,908,000

Cattle purchased under the Government plan, calling for the purchase of 5,000,000 cattle in the drouth stricken areas, have commenced arriving at packing centers where they will be slaughtered and the meat distributed for relief. Buying is now taking place in twelve states including all the states in this District except Missouri.

Cold Storage Holdings

According to reports of the Bureau of Agricultural Economics, June 1 United States cold storage holdings of beef were 13.7 per cent, pork 16.4, lamb and mutton 49.4, poultry 10, miscellaneous meats 25.6, and creamery butter 23.9 per cent less than the five-year average for that date. Stocks of lard, including Government holdings, were large, being 42.4 per cent above the average, and inventories of cheese and eggs were also heavier, showing gains of 19.7 and 5 per cent, respectively.

Holdings of beef, lamb and mutton, and poultry declined seasonally in May and those of lard, butter, and cheese increased but gains and losses were not as large as usual. Month-end stocks of pork, mutton, and butter were smaller than one year earlier. Egg consumption declined, forcing more eggs into storage during May than a year ago or normally. Accumulations for the month totaled 4,066,000 cases, or 221,000 cases more than a year ago. Total holdings of eggs, cased and frozen combined, are approximately the same as a year ago.

United States cold storage holdings as reported by the Bureau of Agricultural Economics in thousands of units, 000 omitted:

	*June 1 1934	May 1 1934	June 1 1933	June 1 5-Yr. Av.
Beef, lbs.....	42,219	46,590	30,538	48,903
Pork, lbs.....	642,055	656,087	670,553	768,025
Lamb and mutton, lbs.....	1,249	1,281	1,843	2,466
Poultry, lbs.....	39,620	49,212	38,131	44,024
**Turkeys, lbs.....	9,500	11,154	7,817	7,435
Miscellaneous meats, lbs.....	52,912	51,827	51,179	71,152
Lard, lbs.....	182,576	179,098	110,889	128,224
Eggs, cases.....	7,815	4,640	8,062	7,442
Eggs, frozen (case equivalent).....	2,680	1,789	2,438	2,659
Butter, creamery, lbs.....	27,110	11,838	35,159	35,644
Cheese, all varieties, lbs.....	71,193	65,450	48,481	59,475

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

Zinc and Lead

Shipments of zinc ore from mines in Missouri, Kansas, and Oklahoma, during the four weeks' period ended June 2, were the heaviest for the year, and deliveries of lead ore were larger than in any four weeks' period since last August. Zinc ore tonnage exceeded that for the four weeks ended June 3, 1933, by 126.8 per cent, and shipments of lead ore were 76.5 per cent larger.

Prices, although lower at the end of May than a year ago, averaged somewhat better for the month and values compared more favorably with a year ago than tonnage. Zinc ore declined \$3 and lead ore \$5.50 per ton to close at \$27 and \$42 per ton, respectively, or \$3 and \$8 per ton under a year ago. In May, 1933, zinc ore advanced \$5 and lead ore \$10 per ton.

The tonnage and value of zinc ore and lead ore shipments from the Tri-State district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	21,212	\$ 614,061	2,867	\$127,739
Kansas.....	5,481	157,925	639	27,063
Missouri.....	1,294	37,544	88	3,931
4 Weeks ended June 2, 1934.....	27,987	\$ 809,530	3,594	\$158,733
4 Weeks ended May 5, 1934.....	25,419	756,216	2,010	93,409
4 Weeks ended June 3, 1933.....	12,339	327,227	2,036	88,254
22 Weeks ended June 2, 1934.....	128,063	3,674,129	13,469	591,203
22 Weeks ended June 3, 1933.....	100,631	1,931,767	11,881	427,052

Bituminous Coal

Production of bituminous coal at mines in the six coal producing states of the District declined as usual in May. Output, as estimated from the weekly reports of the United States Bureau of Mines, totaled 813,000 tons, the least for that month in many years, as against 1,007,000 tons in April and 932,000 tons in May, 1933. In the United States, May production exceeded that of the preceding month this year or the corresponding month last year.

Tonnage mined in the District for the year to date is approximately the same as in 1933 but national output is 30.3 per cent greater.

Output of soft coal at mines in this District and the United States:

	*May 1934 Tons	April 1934 Tons	May 1933 Tons
Colorado.....	269,000	288,000	290,000
Kansas and Missouri.....	202,000	322,000	272,000
New Mexico.....	75,000	88,000	76,000
Oklahoma.....	25,000	26,000	44,000
Wyoming.....	242,000	283,000	250,000
Total six states.....	813,000	1,007,000	932,000
Total United States.....	28,025,000	24,772,000	22,488,000

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

Petroleum

Daily average crude oil production, as estimated from the weekly reports of the American Petroleum Institute, totaled 725,000 barrels for this District and 2,488,000 for the United States in May. Production on a daily basis, for both the District and the nation, was slightly under the official estimates of the Bureau of Mines for April, but, owing to May being one day longer, gross production exceeded that of the preceding month. Output for each of the five oil producing states of the Tenth District was substantially above a year ago, the total for the five states showing an increase of 20.2 per cent, whereas the total for the United States showed a loss of about 10 per cent.

Gross and daily average crude oil production in the United States and the five oil producing states of the Tenth District:

	GROSS PRODUCTION		
	*May 1934 Barrels	April 1934 Barrels	May 1933 Barrels
Oklahoma.....	15,893,000	15,697,000	13,289,000
Kansas.....	4,054,000	4,031,000	3,307,000
Wyoming.....	985,000	947,000	906,000
Colorado.....	93,000	86,000	84,000
New Mexico.....	1,426,000	1,401,000	1,098,000
Total five states.....	22,451,000	22,162,000	18,684,000
Total United States.....	77,121,000	75,796,000	84,747,000

	DAILY AVERAGE PRODUCTION		
	*May 1934 Barrels	April 1934 Barrels	May 1933 Barrels
Oklahoma.....	513,000	523,000	429,000
Kansas.....	131,000	134,000	107,000
Wyoming.....	32,000	32,000	29,000
Colorado.....	3,000	3,000	3,000
New Mexico.....	46,000	47,000	35,000
Total five states.....	725,000	739,000	603,000
Total United States.....	2,488,000	2,526,000	2,734,000

*Estimated, American Petroleum Institute.

May production exceeded Federal allowables of 679,700 barrels per day for the five states and 2,366,200 barrels per day for the country as a whole. Allowables for the District were raised to 729,500 barrels and for the United States to 2,528,300 barrels per day, effective June 1.

Schedules posted September 29, 1933, of 76 cents to \$1.08 per barrel per gravity basis for mid-continent crude oil are still in effect. In May, 1933, purchasing companies were paying a flat price of 25 cents per barrel for oil in this area. Consumption has registered good gains and prices held up in the face of increased production of "hot" oil and higher Federal allowables.

Mid-continent refinery operations have shown little change in recent month. Runs of crude oil to refinery stills on June 1 were about 20,000 barrels less than on June 1, 1933. The market for refinery and natural gasolines strengthened as refiners commenced to purchase distressed gasoline in amounts equal to 3 per cent of their May requirements. Lubricants were higher but the kerosene market was soft throughout the month.

New operations in the different fields continue active as producing companies have been acquiring promising acreage for future reserves.

Cement

The United States Bureau of Mines reported Tenth District production of finished Portland cement as slightly smaller in May than in the preceding month but 3.2 per cent larger than a year ago. Shipments exceeded production, showing increases over both April this year and May last year. Stocks at the close of the month were lower than for any month-end since June 30, 1932.

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

	TENTH DISTRICT			UNITED STATES		
	Production	Shipments	Stocks	Production	Shipments	Stocks
May 1934..	772	965	1,738	8,554	8,731	21,345
April 1934..	784	824	1,931	6,544	6,492	21,523
May 1933..	748	771	1,761	6,262	6,709	20,117
5 Mos. 1934	2,924	3,236	.....	28,302	26,571	.....
5 Mos. 1933	1,463	2,494	.....	19,864	19,948	.....

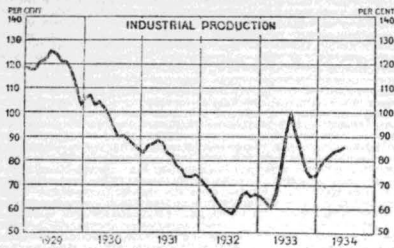
Life Insurance

Sales of new ordinary paid-for life insurance in the seven states of the District, as reported by the Life Insurance Sales Research Bureau, totaled \$43,374,000 in May, \$43,340,000 in April, and \$33,816,000 in May, 1933. The sales figures follow:

	May 1934	April 1934	May 1933
Colorado.....	\$ 4,439,000	\$ 5,083,000	\$ 3,786,000
Kansas.....	5,451,000	5,925,000	4,451,000
Missouri.....	20,960,000	18,560,000	15,540,000
Nebraska.....	5,104,000	5,428,000	4,381,000
New Mexico.....	593,000	833,000	525,000
Oklahoma.....	5,937,000	6,569,000	4,602,000
Wyoming.....	890,000	942,000	531,000
Seven states.....	\$ 43,374,000	\$ 43,340,000	\$ 33,816,000
United States.....	588,421,000	581,433,000	481,858,000

Business Conditions in the United States

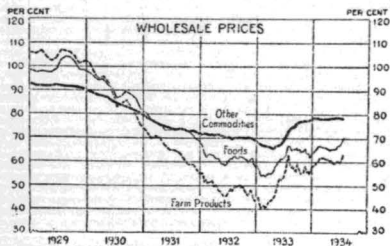
By the Federal Reserve Board



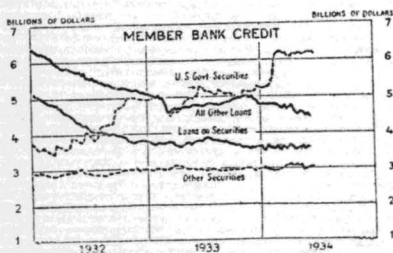
Index number of industrial production, adjusted for seasonal variation. Latest figure: May, 87.



Federal Reserve Board's index of factory employment, adjusted for seasonal variation. (1923-25 average=100.) Latest figure: May, 82.4.



Indexes of the United States Bureau of Labor Statistics. By months 1929 to 1931; by weeks 1932 to date. (1926=100.) Latest figures, June 16: farm products, 63.7; foods, 70.2; other commodities, 78.9.



Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for June 13.

Industrial production increased slightly in May, while factory employment and payrolls showed little change. The general level of wholesale prices, after remaining practically unchanged since the middle of February, advanced sharply in the middle of June, reflecting chiefly increases in the prices of livestock and livestock products.

PRODUCTION AND EMPLOYMENT: Industrial production, as measured by the Board's seasonally adjusted index, advanced from 86 per cent of the 1923-1925 average in April to 87 per cent in May, as compared with a recent low level of 72 last November. Activity at steel mills increased further from 54 per cent of capacity in April to 58 per cent in May, while output of automobiles showed a decline. Lumber production continued at about one-third the 1923-1925 level.

In the textile industries output declined somewhat, partly as a consequence of seasonal developments. At mines coal production showed little change in volume, while output of petroleum continued to increase.

In the first three weeks of June, activity at steel mills continued at about the May level, although a decline is usual at this season. Maintenance of activity reflected in part, according to trade reports, considerable stocking of steel. Output of automobiles declined somewhat, as is usual at this season.

Employment in factories, which usually declines slightly between the middle of April and the middle of May, showed little change, while employment on the railroads, in agriculture, and in the construction industry increased, as is usual at this season. Increased employment was shown at manufacturing establishments producing durable goods, such as iron and steel and non-ferrous metals, while employment declined at establishments producing non-durable manufactures, such as textiles and their products.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, has shown a decline in the spring months, reflecting a reduction in the volume of contracts for public projects. The volume of construction work actually under way has increased as work has progressed on contracts previously awarded.

Department of Agriculture estimates, based on June 1 conditions, indicated unusually small crops of winter wheat and rye, and exceptionally poor conditions for spring wheat, oats, hay, and pastures, largely as a consequence of a prolonged drouth. The winter wheat crop was estimated at 400 million bushels as compared with a five-year average of 630 million bushels and an exceptionally small crop of 350 million bushels last season. Rains in early June somewhat improved prospects for forage and grain crops not already matured.

DISTRIBUTION: Total traffic increased in May by more than the usual seasonal amount, reflecting in considerable part a larger volume of shipments of miscellaneous products. At department stores the value of sales showed an increase as is usual at this season.

COMMODITY PRICES: During May and the first three weeks of June wholesale prices of individual farm products fluctuated widely, while prices of most other commodities showed little change. Wheat, after advancing rapidly during May, declined considerably in the first three weeks of June. Cotton continued to advance in the early part of June. In the middle of the month hog prices increased sharply from recent low levels. Automobile prices were reduced in the early part of June, and copper prices advanced.

BANK CREDIT: During May and the first half of June there was little change in the volume of reserve bank credit outstanding. As a consequence of expenditures by the Treasury of cash and deposits with the Federal reserve banks and a growth in the country's monetary gold stock, member bank reserve balances advanced further to a level \$1,800,000,000 in excess of legal requirements. In the week ending June 20, however, excess reserves dropped to \$1,675,000,000, reflecting an increase in Treasury deposits at the reserve banks in connection with June 15 tax receipts and sales of Government securities.

Total loans and investments of reporting member banks increased by \$80,000,000 between May 16 and June 13, reflecting a growth in holdings of investments other than United States Government securities and in open market loans to brokers and dealers, while loans to customers declined.

Net demand deposits increased by about \$400,000,000 during the period. Money rates in the open market continued at low levels. The rate on prime commercial paper declined to $\frac{3}{4}$ to 1 per cent in June, the lowest figure on record.