

# 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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**C**ROP prospects in all but a few local areas of this District declined very rapidly during June as a result of extremely high temperatures and subnormal rainfall. The excessive heat and extreme drouth continued throughout the first three weeks of July, injuring crops severely and generally, particularly corn which was in the critical stage of development. Much corn is now burned beyond recovery, pastures are furnishing little or no feed, and there is an acute shortage of water for stock and irrigation purposes. June rains were too late to benefit spring grains. The winter wheat crop, although larger than last year, was otherwise the smallest in many years. Oats, rye, and barley were very poor, with many fields being pastured or cut for hay. Hay crops have been short and stocks of old hay and feed are very low in many areas with feed supplies inadequate for fall needs. Forced marketings of livestock, due to the shortage of water and feed, are increasingly heavy.

Trade at wholesale and retail declined by somewhat more than the usual seasonal amount in June but was 6.1 per cent and 10.8 per cent, respectively, better than a year ago. Cumulative sales during the six months' period of five representative wholesale lines were 26.8 and of thirty department stores 19.8 per cent larger than in the corresponding period of the preceding year. Collections were better than a year ago and month-end inventories somewhat heavier. Business failures showed a slight increase for the month but the June and six months' totals were the smallest for any corresponding periods since 1920. Banks in twenty-nine cities reported payments by check as 13 per cent larger in June and 22.1 per cent larger for the year to July 1 than in the like month and six months of 1933.

An unprecedentedly early harvest of spring grains was virtually completed by July 15. Wheat was marketed liberally, June arrivals at Tenth District markets being the largest of record. Offerings of corn, oats, rye, barley, and kafir were light. Grain and hay prices strengthened during the first three weeks of July as the effects of the drouth became more extensive and acute. On July 21 all grains but barley closed well above a year ago.

June marketings of cattle and calves, including Government purchases in the drouth stricken areas, were heavy, hogs light, and sheep and lambs about normal. Good cattle were scarce and prices advanced to close at the best levels since October, 1932, but poorer grades declined to the year's low. Hogs scored a sensational rise, establishing a new peak for the year. Sheep and lambs were sharply lower.

Flour mills in the District produced 6.5 per cent less flour in June than in the previous month, but grindings were about equal to last year's volume. The slaughter of cattle and calves for the account of the Government necessitated increased employment and operating time at packing houses.

## BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT

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

	June 1934 Compared to		6 Months 1934 Compared to 6 Months 1933
	May 1934	June 1933	
<b>Banking</b>			
Payments by check, 29 cities.....	11.0	13.0	22.1
Federal Reserve Bank clearings.....	7.5	28.9	46.7
Business failures, number.....	25.0	—63.0	—58.9
Business failures, liabilities.....	10.0	—8.1	—59.3
Loans, 52 member banks.....	2.4	—5.9	.....
Investments, 52 member banks.....	1.4	16.1	.....
Net demand deposits, 52 member banks	—0.9	15.1	.....
Time deposits, 52 member banks.....	—1.1	2.6	.....
Savings deposits, 44 selected banks.....	1.1	11.8	.....
Savings accounts, 44 selected banks ...	0.8	4.5	.....
<b>Distribution</b>			
Wholesalers' sales, 5 lines combined.....	—2.6	6.1	26.8
Retailers' sales, 30 department stores....	—18.3	10.8	19.8
Lumber sales, 157 retail yards.....	—8.2	—17.8	6.5
Life insurance, written .....	5.2	39.0	26.5
<b>Construction</b>			
Building contracts awarded, value.....	—22.3	—12.9	75.0
Residential contracts awarded, value....	—29.2	—60.7	11.1
Building permits in 17 cities, value .....	—42.3	26.1	58.0
<b>Production</b>			
Flour .....	—6.5	—1.4	—7.5
Crude petroleum .....	—3.7	6.5	13.8
Soft coal .....	6.0	4.7	—0.3
Zinc ore (shipped) Tri-State District ...	—4.4	22.5	26.4
Lead ore (shipped) Tri-State District ...	24.2	12.4	13.1
Cement.....	11.1	19.5	41.1
<b>Grain receipts</b>			
Wheat.....	633.9	55.8	—3.1
Corn.....	46.7	—70.0	—33.5
Oats.....	—68.9	—84.1	—50.7
<b>Livestock receipts, 6 markets</b>			
Cattle.....	—6.4	17.7	23.9
Calves.....	19.5	70.2	32.6
Hogs.....	—15.5	—16.5	—2.1
Sheep.....	—25.7	0.3	—4.6
Horses and mules.....	—37.9	0.7	51.6
<b>Stocker and feeder shipments, 4 markets</b>			
Cattle.....	—15.8	—12.0	—8.9
Calves.....	—42.2	—34.1	—16.5
Hogs.....	28.5	17.1	—1.3
Sheep.....	—9.3	—1.0	—5.3
<b>Meat packing, 6 markets</b>			
Cattle.....	—0.4	20.0	29.6
Calves.....	18.9	86.2	65.3
Hogs.....	—18.5	—22.8	—6.0
Sheep.....	—21.0	—11.7	—4.0

Production of crude oil, although smaller than in May, exceeded Federal quotas and was 6.5 per cent larger than a year ago. Output of bituminous coal at mines in the District was abnormally low for the season but larger than in May this year or June, 1933, as was that of cement. Shipments of zinc ore and lead ore from the Tri-State mines were larger than last year.

## Banking and Credit

The volume of credit outstanding, at fifty-two reporting member banks in selected cities of the District on July 11, stood higher than on any weekly reporting date of the year, 2.4 per cent higher than four weeks earlier, and 0.9 per cent higher than on January 3. The total as of July 11 was, however, 5.9 per cent below that of July 12, 1933. Loans secured by stocks and bonds declined and those otherwise secured increased during the four weeks' period, whereas the former increased and "all other" loans declined during the fifty-two weeks. Investment holdings, which reached \$357,278,000, the highest level of record on March 7, totaled \$340,607,000 on July 11, or 1.4 per cent more than on June 13 and 16.1 per cent more than on July 12 last year. The increases for the month and the year were primarily in United States Government securities.

Declines of 0.9 per cent in net demand deposits and 1.1 per cent in time deposits in four weeks, and increases of 15.1 per cent in net demand deposits and 2.6 per cent in time deposits since July 12, 1933, were recorded. Government deposits in these banks were much higher on July 11 than four weeks or one year earlier.

The total of bills rediscounted for member banks at the Federal Reserve Bank of Kansas City and branches showed a further loss during the four weeks' period ended July 11, dropping below \$200,000 for the first time of record. Present holdings amount to \$187,218 as compared with \$8,250,426 shown by the weekly condition statements of July 12, 1933, and \$119,193,652 on November 5, 1920, when they were the highest. Acceptances held by this bank have shown but slight change in recent weeks and are also low.

Holdings of United States Government securities rose \$1,600,000 in four weeks and on July 11 were \$30,298,100, or 48 per cent larger than on July 12, 1933. Member banks' reserve deposits continued to increase, showing a gain of 1.9 per cent since June 13, carrying the total as of July 11 to \$143,019,907, a new high, which is 48.3 per cent above a year ago. Federal reserve note circulation expanded 3.2 per cent in four weeks but declined 1.7 per cent in fifty-two weeks.

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

### REPORTING MEMBER BANKS

	July 11, 1934	June 13, 1934	July 12, 1933
Loans and investments—total..	\$547,522,000	\$537,909,000	\$513,331,000
Loans and discounts—total.....	206,915,000	202,164,000	219,944,000
Secured by stocks and bonds	59,044,000	60,983,000	57,824,000
All other loans and discounts	147,871,000	141,181,000	162,120,000
Investments—total.....	340,607,000	335,745,000	293,387,000
U. S. securities.....	227,242,000	221,769,000	185,573,000
Other bonds, stks., and sec....	113,365,000	113,976,000	107,814,000
Reserve with F. R. Bank.....	8,373,000	82,405,000	61,482,000
Net demand deposits.....	420,645,000	424,625,000	365,365,000
Time deposits.....	165,804,000	167,565,000	161,598,000
Government deposits.....	25,310,000	16,629,000	10,231,000

### FEDERAL RESERVE BANK

	July 11, 1934	June 13, 1934	July 12, 1933
Total reserves.....	\$168,536,363	\$162,759,243	\$157,197,918
Bills discounted.....	187,218	214,281	8,250,426
Bills purchased.....	142,109	142,121	205,577
U. S. securities.....	93,444,200	91,844,200	63,146,100
Total bills and securities.....	93,773,527	92,200,602	71,602,103
Total resources.....	295,465,542	291,188,024	259,273,623
F. R. notes in circulation.....	110,378,110	106,939,510	112,260,375
F. R. bank notes in cir.—net....	.....	.....	976,000
Member banks' reserve deposits	143,019,907	140,346,397	96,458,609

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

## Savings in Banks

The combined reports of savings accounts and savings deposits in forty-four selected banks in cities of the Tenth District showed gains during June of 0.8 per cent in the number of depositors and 1.1 per cent in the amount of deposits. Deposits as of July 1 this year were 11.8 per cent higher than on the like date last year and accounts were 4.5 per cent more numerous.

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

	Savings Accounts	Savings Deposits
July 1, 1934.....	381,285	\$111,002,063
June 1, 1934.....	378,091	109,836,557
July 1, 1933.....	364,973	99,251,529

## Bank Debits

Debits to individual accounts, as reported by banks in twenty-nine leading cities of the District, for the five weeks ended July 4, aggregated \$1,096,669,000, or 11 per cent above the total reported for the preceding five weeks and 13 per cent above that for the corresponding five weeks of 1933.

Check payments during the first twenty-six weeks of 1934 aggregated \$5,195,032,000, an increase of \$940,512,000, or 22.1 per cent over the like period last year.

### PAYMENTS BY CHECK

(In thousands of dollars—000 omitted)

	FIVE WEEKS ENDED		TWENTY-SIX WEEKS ENDED	
	July 4, 1934	July 5, 1933	July 4, 1934	July 5, 1933
Albuquerque, N. M.....	\$ 10,182	\$ 6,537	\$ 48,701	\$ 35,422
Atchison, Kans.....	3,736	3,617	16,540	15,206
Bartlesville, Okla.....	23,516	23,503	125,356	105,791
Casper, Wyo.....	4,652	4,692	21,834	21,114
Cheyenne, Wyo.....	7,030	5,365	31,069	25,906
Colorado Springs, Colo.	12,162	11,289	63,531	56,014
Denver, Colo.....	142,631	118,117	710,350	573,621
Enid, Okla.....	14,956	13,546	50,156	40,281
Fremont, Nebr.....	2,467	2,136	13,006	9,495
Grand Junction, Colo.	2,037	1,340	10,407	6,507
Guthrie, Okla.....	1,341	1,801	8,014	6,434
Hutchinson, Kans.....	21,143	15,599	62,444	52,421
Independence, Kans....	5,077	2,989	25,768	14,150
Joplin, Mo.....	8,496	7,850	42,306	39,185
Kansas City, Kans.....	12,461	11,689	59,580	56,205
Kansas City, Mo.....	314,033	312,896	1,480,068	1,288,738
Lawrence, Kans.....	3,692	3,946	17,429	16,942
Lincoln, Nebr.....	27,556	22,974	139,073	105,514
Muskogee, Okla.....	6,321	6,984	38,346	32,028
Oklahoma City, Okla.	93,154	77,929	430,439	333,006
Okmulgee, Okla.....	2,834	2,768	14,610	11,386
Omaha, Nebr.....	148,495	130,899	706,387	578,987
Pittsburg, Kans.....	3,554	3,073	18,425	16,970
Pueblo, Colo.....	18,529	11,640	79,301	57,612
Salina, Kans.....	11,341	10,375	43,063	35,108
St. Joseph, Mo.....	30,819	29,601	154,594	124,989
Topeka, Kans.....	15,788	14,725	80,647	73,706
Tulsa, Okla.....	97,996	71,677	503,077	354,506
Wichita, Kans.....	50,670	40,861	200,511	167,276
Total 29 cities.....	\$ 1,096,669	\$ 970,418	\$ 5,195,032	\$ 4,254,520

## Federal Reserve Bank Clearings

During the first six months of 1934 clearings through the Federal Reserve Bank of Kansas City and its branches at Omaha, Denver, and Oklahoma City totaled 31,094,435 items representing \$4,360,409,000. There was an increase of 34.9 per cent in the number of items handled and an increase of 46.7 per cent in the aggregate amount as compared to the first six months of 1933. Clearings for the month of June showed increases over a year ago of 9.3 per cent in items and 28.9 per cent in amount.

The clearings figures for June and the six months:

	ITEMS		AMOUNT	
	1934	1933	1934	1933
June.....	4,808,092	4,400,107	\$ 757,828,000	\$ 588,055,000
May.....	4,780,073	4,213,096	704,981,000	524,805,000
Six months.....	31,094,435	23,050,578	4,360,409,000	2,972,639,000

RETAIL TRADE AT 30 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED		
	June 1934	Year 1934	June 30, 1934	June 30, 1933	June		Year		June 30, 1934	June 30, 1933	June 1934	June 1933	
	compared to June 1933	compared to Year 1933	compared to May 31, 1934	compared to June 30, 1933	1934	1933	1934	1933	compared to May 31, 1934	compared to June 30, 1933	compared to May 1934	compared to June 1933	
Kansas City.....	4	8.3	18.8	— 5.7	7.3	.18	.18	1.25	1.07	— 7.6	3.6	14.3	20.6
Denver.....	4	6.6	16.7	— 5.7	10.1	.28	.30	1.66	1.54	— 2.2	5.9	3.9	22.2
Oklahoma City....	3	21.2	25.3	— 5.6	2.1	.30	.26	2.09	1.72	— 1.2	7.6	— 1.6	18.8
Tulsa.....	3	14.0	18.7	— 5.6	8.9	.30	.30	2.26	2.44	— 3.8	5.9	9.3	36.4
Wichita.....	3	19.3	25.0	— 2.0	28.7	.23	.24	1.59	1.47	— 3.7	9.2	7.6	31.4
Other cities.....	13	10.9	20.8	— 5.2	10.6	.22	.22	1.46	1.39	— 9.2	— 4.2	11.9	19.8
<b>Total.....</b>	<b>30</b>	<b>10.8</b>	<b>19.8</b>	<b>— 5.3</b>	<b>9.0</b>	<b>.24</b>	<b>.24</b>	<b>1.56</b>	<b>1.42</b>	<b>— 4.8</b>	<b>3.4</b>	<b>7.6</b>	<b>22.4</b>

NOTE: Percentage of collections in June on open accounts May 31, all stores reporting 44.1. Collections same month last year 38.5.

Failures

Commercial failures in this District and the United States during June and the half year were the smallest, both in the number of defaults and the amount of liabilities involved, for any like month or six months since 1920. The June totals for the District and the United States exceeded the May totals.

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

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
June 1934.....	40	\$ 936,652	1,033	\$ 23,868,293
May 1934.....	32	851,327	977	22,560,835
June 1933.....	108	1,019,170	1,648	35,344,909
Six months 1934.....	253	3,599,744	6,577	151,793,760
Six months 1933.....	616	8,851,907	12,723	327,590,748

Trade

RETAIL: June sales of thirty department stores in Tenth District cities showed a decline of 18.3 per cent from the preceding month, or somewhat more than the customary rate, but were 10.8 per cent larger than in June last year. Sales for the first six months of 1934 stood 19.8 per cent above the dollar volume reported for the first six months of 1933. Stocks of merchandise on hand at the close of June were 5.3 per cent smaller than a month earlier but 9.0 per cent larger than at the end of last June.

Collections showed a slight improvement for the month, averaging 44.1 per cent of the amounts receivable on May 31 as compared with collection percentages of 42.1 per cent in May this year and 38.5 per cent in June, 1933.

WHOLESALE: Reports of wholesale firms, representing five leading lines, showed the combined dollar volume of their June sales was 2.6 per cent below that for May, the first decrease reported since 1930. June sales were, however, 6.1 per cent larger than a year ago and accumulative sales for the six months' period showed a gain of 26.8 per cent. Considered by separate lines, sales of dry goods and furniture were smaller in June than in either May this year or June last year and those of groceries and drugs larger. Sales of hardware declined for the month and increased for the year. Increases reported for the half year were as follows: dry goods, 29 per cent; groceries, 5; hardware, 38; furniture, 51; and drugs, 39 per cent.

All lines reported a slight reduction in inventories the past month but stocks on hand June 30 were somewhat larger for each line, except groceries, than one year earlier.

Implement dealers report sales volume the best in three years, with collections showing a substantial improvement over last year.

Life Insurance

Reports to the Life Insurance Research Bureau indicate sales of new ordinary paid-for life insurance, in the seven states of this District, were larger in June than in any previous month since December, 1931. June sales totaled \$45,768,000 as compared to \$43,374,000 in May and \$32,946,000 in June, 1933. Sales for the first six months of 1934 aggregated \$245,786,000, or 26.5 per cent more than for the first half of 1933.

The sales totals by individual states are shown herewith:

	June 1934	May 1934	June 1933
Colorado.....	\$ 9,126,000	\$ 4,439,000	\$ 4,210,000
Kansas.....	6,260,000	5,451,000	4,499,000
Missouri.....	17,953,000	20,960,000	14,372,000
Nebraska.....	4,766,000	5,104,000	4,317,000
New Mexico.....	745,000	593,000	574,000
Oklahoma.....	5,996,000	5,937,000	4,365,000
Wyoming.....	922,000	890,000	609,000
Seven states.....	\$ 45,768,000	\$ 43,374,000	\$ 32,946,000
United States.....	556,379,000	588,421,000	475,921,000

Lumber

The lumber trade in the Tenth District during June, as reported by 157 retail yards, was 8.2 per cent smaller in board feet than in May and 17.8 per cent less than in June of last year. Dollar sales of all materials at these yards declined 17.6 per cent for the month but were 28.8 per cent larger than in June, 1933.

Inventories were unchanged for the month and on June 30 were only slightly smaller than one year earlier. Collections were not as good as in the preceding month but were much better than a year ago. June collections averaged 32.7 per cent of amounts outstanding at the close of the previous month as compared to 35.1 per cent in May this year and 22.7 per cent in June last year.

A summary of the reports covering 157 retail yards follows:

	June 1934	Compared to May 1934	June 1933
Sales of lumber, board feet.....	— 8.2	— 17.8	
Sales of all materials, dollars.....	— 17.6	28.8	
Stocks of lumber, board feet.....	— 0.1	— 2.2	
Outstandings, end of month.....	— 3.0	— 5.6	

An increase of 29 per cent in national lumber production and decreases of 4 per cent in shipments and 8 per cent in

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	SALES		OUTSTANDINGS		AMOUNTS COLLECTED		STOCKS		
	June 1934 compared to May 1934	June 1933	June 30, 1934 compared to May 31, 1934	June 30, 1933	June 1934 compared to June 1933	June 30, 1934 compared to May 31, 1934	June 30, 1933		
Dry goods.....	6	— 17.3	— 14.4	— 4.8	— 11.7	— 4.8	14.2	— 3.8	30.1
Groceries.....	5	8.4	— 0.4	— 0.7	— 25.3	18.6	20.5	— 3.1	— 11.9
Hardware.....	9	— 4.4	8.6	— 0.5	3.3	5.2	24.3	— 3.4	31.5
Furniture.....	4	— 14.2	— 5.6	— 10.7	— 17.6	— 7.3	22.4	— 1.7	62.6
Drugs.....	7	1.6	32.4	— 3.3	— 4.5	— 0.7	19.9	— 0.4	9.2

orders booked, during the twenty-six weeks of the year to July 1, as compared to the like period last year, is indicated by reports of identical mills to the National Lumber Manufacturers Association. Shipments fell 9 per cent and orders 3 per cent below output for the same period.

Gross stocks on hand at mills on June 30 were equivalent to 153 days average production as compared with 130 days on the like date in 1933. Carloadings of forest products, including lumber, in twenty-five weeks totaled 574,790 cars this year and 443,005 cars last year.

### Building

Tenth District building operations slumped in June, the total value of contracts awarded throughout the District, as reported by the F. W. Dodge Corporation, being 22.3 per cent less than in May and 12.9 per cent less than in June, 1933. Residential construction shared in these declines, with losses of 29.2 and 60.7 per cent, respectively. Both total and residential awards established new lows for June.

Construction during the half year was above the 1933 volume, all awards showing a gain of 75 per cent and residential awards a gain of 11.1 per cent. Total and residential awards for the six months' period, although the heaviest in three years, were respectively equal to but 36 per cent and 22 per cent of the average expenditures for the past eight years.

Building operations in the Tenth 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
June.....	\$ 3,854,836	\$ 4,428,226	\$127,131,200	\$102,980,100
May.....	4,963,914	4,094,541	134,445,700	77,171,700
Six months...	34,443,075	19,679,222	855,610,500	432,751,600

#### RESIDENTIAL CONTRACTS AWARDED

	TENTH DISTRICT		UNITED STATES	
	1934	1933	1934	1933
June.....	\$ 529,486	\$ 1,347,247	\$ 26,580,200	\$ 27,768,200
May.....	747,871	801,775	24,847,200	26,519,700
Six months...	5,131,451	4,619,882	131,904,200	113,208,700

Building departments in seventeen reporting cities of the District issued 265 fewer permits in June than in May and 20 less permits than in June a year ago. Estimated construction costs showed a decline of 42.3 per cent for the month and a gain of 26.1 per cent for the year. Permits issued for the calendar year to July 1 increased 7.9 per cent and expenditures increased 58 per cent over the like period of the preceding year.

#### BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1934	1933	1934	1933
Albuquerque, N. M.....	58	47	\$ 134,710	\$ 16,681
Cheyenne, Wyo.....	26	45	13,282	20,960
Colorado Springs, Colo.....	28	37	14,585	19,986
Denver, Colo.....	226	393	215,135	229,792
Joplin, Mo.....	9	10	1,900	4,830
Kansas City, Kans.....	30	33	10,275	17,915
Kansas City, Mo.....	229	126	154,100	124,300
Lincoln, Nebr.....	96	47	36,537	56,149
Oklahoma City, Okla.....	79	68	50,164	76,075
Omaha, Nebr.....	96	80	136,569	101,729
Pueblo, Colo.....	46	45	12,719	10,625
Salina, Kans.....	6	11	1,440	4,800
Shawnee, Okla.....	6	9	1,500	3,650
St. Joseph, Mo.....	20	27	12,125	28,270
Topeka, Kans.....	37	53	20,365	26,060
Tulsa, Okla.....	62	49	162,579	31,145
Wichita, Kans.....	49	43	17,848	16,968
Total 17 cities, June.....	1,103	1,123	\$ 995,833	\$ 789,935
Total 17 cities, May.....	1,368	1,289	1,725,935	818,428
Total 17 cities, 6 months.....	6,104	5,657	6,332,169	4,006,454

### Flour Production

Tenth District mills, reporting weekly to the Northwestern Miller, were operated at 58.6 per cent of full-time capacity during June as compared with 60.4 per cent in May and 59.5 per cent in June, 1933. Output of flour totaled 1,811,213 barrels this month, 1,937,262 barrels last month, and 1,836,688 barrels a year ago. Production for the wheat year ended June 30 totaled 21,391,779 barrels, or 10.4 per cent less than in the preceding wheat year.

Tentative estimates indicate a decline of 8.8 per cent in the production of flour in the United States for the crop year ended June 30 as compared to the previous crop year. Grindings for eleven months, as reported by the Department of Commerce, totaled 397,056,000 bushels of wheat and an output of 86,666,000 barrels of flour as against 434,922,000 bushels of wheat and 94,886,000 barrels of flour for the like period last year. The decline in output is attributed to an increase in custom grinding by nonreporting mills, a reduction in consumers' stocks, and slight additional declines in domestic consumption and exports.

Flour production in this District during June and the wheat year, as estimated from the weekly reports of southwestern mills to the Northwestern Miller, with comparisons:

	June 1934	May 1934	June 1933	Wheat Year 1933-34	Wheat Year 1932-33
Atchison.....	112,415	129,220	130,235	1,344,938	1,558,750
Kansas City.....	496,936	522,076	481,716	5,765,276	6,852,383
Omaha.....	111,344	111,458	110,403	1,230,238	1,239,166
Salina.....	141,397	146,461	121,276	1,663,891	1,867,911
Wichita.....	121,634	166,997	162,236	1,872,798	2,353,531
Outside.....	827,487	861,050	830,822	9,514,638	10,011,839
Total.....	1,811,213	1,937,262	1,836,688	21,391,779	23,883,580
*United States.....	5,049,871	5,370,405	5,459,270	61,880,522	68,272,704

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

Wheat and flour prices having advanced rapidly in May, the flour trade was hesitant the forepart of June, but as values weakened inquiry improved and several large and round lots were sold the closing weeks of the month. Many bakers were reported lightly covered as to July requirements and most sales were for immediate or near-by shipment. Bookings being limited to ninety days under the millers code, which became effective June 21, bakers purchased requirements only until September instead of December as heretofore. Contracts are well cleared up due to good shipping directions and the cancellation of old orders by many plants. Flour closed about 25 cents per barrel lower for the month.

Demand for millfeed for immediate delivery was active the greater part of June and prices advanced, but as rains relieved the feed situation, demand contracted and prices declined at the close for a net gain of about \$2.50 per ton.

### Grain Marketing

With harvest two to three weeks earlier than usual, June receipts of wheat at the five principal market centers of the District were unprecedentedly large, exceeding the previous record movement of last year by 55.8 per cent. Arrivals were the heaviest for any month since July, 1932, and carried the totals for the six markets this year within 8 per cent of normal. For the crop year beginning July 1, 1933, and ending June 30, 1934, receipts of wheat at these markets were the lightest in many years, totaling 94,598,050 bushels this year as compared to 143,457,550 bushels last year and 263,555,050 bushels for the year ended June 30, 1932, the all-time high. The 1934 wheat crop will be substantially short of domestic requirements, necessitating heavy additional reductions in the carry-over estimated at 250,000,000 bushels.

Although prices advanced, marketings of corn were light, being 58 per cent below the ten-year average for June and the smallest for the month of record, June, 1932, excepted. Oats were in only 23 per cent of normal supply, with receipts lighter than for any month in fifteen years of record. June receipts of barley were the smallest since 1927 and 52 per cent below normal. Offerings of kafir increased both as compared to May this year and June last year but were 47 per cent short of the average. In June, 1933, marketings of wheat, corn, oats, and rye, stimulated by sharply higher prices, were extremely heavy.

Receipts of grain at the five markets in June and six months this year with comparisons:

	Wheat Bushels	Corn Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Kafir Bushels
Hutchinson.....	6,629,850	3,750	.....	.....	.....	61,100
Kansas City.....	8,948,800	796,500	106,000	10,500	14,400	159,600
Omaha.....	2,473,600	518,000	30,000	15,400	17,600	.....
St. Joseph.....	534,400	454,500	102,000	.....	3,500	.....
Wichita.....	7,263,000	113,100	1,500	.....	2,600	.....
June 1934.....	25,849,650	1,885,850	239,500	25,900	38,100	223,300
May 1934.....	3,522,300	1,285,150	770,000	14,400	30,400	181,200
June 1933.....	16,596,100	6,401,650	1,505,500	119,300	56,450	94,800
6 Months 1934..	46,811,300	14,591,450	2,829,000	244,800	275,550	959,000
6 Months 1933..	48,305,000	21,936,300	5,737,000	437,000	304,300	775,100

Mid-July grain prices, although somewhat below the speculative peaks of a year ago, are more truly reflective of the actual supply and demand situation and crop prospects. Wheat prices, which moved up rapidly in May, reacted somewhat in June with a net loss of about 6 cents per bushel which was recovered in July following the Government's forecast reducing crop estimates unexpectedly. Receipts of new crop winter wheat are of superior quality and cash grain is selling at a good premium over futures. Corn, oats, and barley prices registered slight increases in June, whereas quotations for rye and kafir declined. As the drouth continued in July, anxiety over the corn crop increased and prices strengthened. Offerings of hay were light and readily absorbed at advancing prices.

Cash grain prices at Kansas City in cents per bushel as of the dates indicated:

	July 16 1934	June 30 1934	May 31 1934	July 15 1933	June 30 1933	May 31 1933
No. 1 dark wheat.....	\$ .97½	\$ .87½	\$.95	\$1.07½	\$.89½	\$.69
No. 2 mixed corn.....	.61¾	.58	.55	.59½	.49	.40½
No. 2 white oats.....	.47	.43	.41	.44½	.42	.25
No. 2 rye.....	.77	.67	.72	.96	.69	.48
No. 2 barley.....	.62	.58	.55	.53	.44	.30½
No. 2 kafir.....	1.18	1.00	1.03	1.45	1.27	.82

Production and disposition of all wheat the past five years, as estimated by the Department of Agriculture, is shown in the following table in thousands of bushels:

	Production	Used for Seed	Fed to Livestock	Ground for Home use	Sold or for Sale
1929.....	822,180	83,930	59,152	6,973	672,811
1930.....	889,702	81,060	157,517	10,538	641,329
1931.....	932,221	80,098	171,258	14,917	668,754
1932.....	744,076	82,922	122,529	15,724	524,047
1933.....	527,413	76,181	70,912	15,941	368,192

**STOCKS OF GRAIN ON FARMS JULY 1:** Farm stocks of wheat, in the seven states of this District, which on July 1, 1932, totaled 51,799,000 bushels, were reduced to 28,313,000 on July 1 last year and to 23,539,000 bushels on July 1 this year. Farm stocks of oats have declined from 27,835,000 bushels to 14,791,000 during the two year period. Holdings of corn, although about 53,000,000 less than a year ago are 18,108,000 bushels larger than two years ago.

Stocks of wheat, corn, and oats, on farms in the seven states July 1, as reported by the United States Department of Agriculture:

	All Wheat		Corn		Oats	
	1934	1933	1934	1933	1934	1933
Colorado.....	709	714	2,568	1,682	702	822
Kansas.....	9,201	14,421	15,978	30,006	3,637	4,494
Missouri.....	1,664	1,259	22,273	43,020	3,916	4,053
Nebraska.....	7,009	6,990	64,376	78,469	4,207	14,096
New Mexico.....	45	132	312	283	92	28
Oklahoma.....	4,633	4,363	1,460	6,479	1,718	2,401
Wyoming.....	278	434	103	63	519	624
Seven states.....	23,539	28,313	107,070	160,002	14,791	26,518
United States.....	60,995	82,187	470,355	627,998	107,580	204,384

Crops

June rains were inadequate for crop needs and the benefits only temporary. Abnormally high temperatures the final week of June and the first three weeks of July, a continued shortage of both surface and subsoil moisture, and insect injury resulted in serious crop deterioration.

Acres harvested or remaining for harvest in the District on July 1 of winter wheat, flaxseed, white potatoes, dry beans, and alfalfa hay are somewhat larger this year than last but smaller for all other crops. The total crop acreage is somewhat less than last year due to reductions under A. A. A. programs and the heavy abandonment of small grains. Production of winter wheat, flaxseed, peaches, and pears is forecast as above a year ago. Only two crops, tobacco and peaches, are expected to exceed the five-year average production.

Moisture supplies were too late to benefit wheat materially and Government estimates for the Tenth District showed little change between June 1 and July 1. A winter wheat crop about 20,000,000 bushels greater and a spring wheat crop 4,000,000 bushels less than the short yields of last year is indicated for the District by the July 1 estimates of the United States Department of Agriculture. Production of winter wheat is tentatively placed at 143,317,000 bushels, or 48 per cent of the 1927 to 1931 average yields and of spring wheat at 4,490,000 bushels, or 43 per cent of the average. Harvest, which is virtually completed, was early, grain ripening prematurely under excessive temperatures but quality was good and the protein content high. June marketings were liberal.

Corn prospects, which on July 1 promised a crop of 306,735,000 bushels for the District as compared to 389,334,000 bushels harvested last year, have been reduced tremendously the past three weeks. Dry subsoil retarded root development and the intense heat during the tasseling or critical period resulted in a stunted growth and firing, with many fields now burned beyond recovery. The Kansas State Board of Agriculture reported the outlook in that state reduced from 66 per cent of normal on July 1 to 36 per cent on July 16. Early corn suffered the greatest injury and late corn, which in scattered areas holds fair promise, is seriously in need of immediate rains and a return to normal temperatures. On July 1 corn was reported good in northeastern Nebraska, fair to good in north central Colorado, eastern Kansas and Wyoming, but only fair to very poor elsewhere, being a near failure in Oklahoma.

Grain sorghums have withstood the drouth somewhat better than corn and a larger acreage than usual is being planted in an attempt to alleviate a shortage of other feeds. Some corn fields are being plowed and planted to sorghum. Planting has been delayed in dry areas where much late planted seed has not germinated.

The unprecedented low condition of hay and pastures declined further in recent weeks. Harvesting of the second cut-

THE ESTIMATED PRODUCTION AND ACREAGE, HARVESTED OR REMAINING FOR HARVEST, OF CROPS IN THE UNITED STATES AND THE SEVEN STATES OF THIS DISTRICT, AS ESTIMATED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE, JULY 1  
(In thousands of units, 000 omitted)

	ACREAGE FOR HARVEST				PRODUCTION					
	SEVEN STATES		UNITED STATES		SEVEN STATES			UNITED STATES		
	July 1	Revised	July 1	Revised	Indicated	Harvested	5-Yr. Av.	Indicated	Harvested	5-Yr. Av.
All wheat, bu.....	16,827	14,662	43,996	47,518	163,371	145,979	342,688	483,662	527,978	886,359
Winter wheat, bu.....	16,212	13,792	32,485	28,446	158,881	137,471	332,227	394,268	351,608	632,061
Spring wheat, bu.....	615	870	10,450	16,762	4,490	8,508	10,461	82,911	160,261	192,838
Corn, bu.....	22,447	28,503	92,526	102,397	410,500	503,516	602,743	2,113,137	2,343,883	2,516,307
Oats, bu.....	5,822	7,030	33,348	36,704	72,661	111,674	171,730	567,839	731,524	1,186,956
Barley, bu.....	1,172	1,833	8,712	10,108	10,384	21,421	36,948	125,155	156,988	270,444
Rye, bu.....	265	287	2,260	2,358	1,323	2,203	4,547	17,194	21,236	40,950
Flaxseed, bu.....	60	42	1,133	1,286	341	251	402	5,599	6,806	18,664
Tame hay, tons.....	8,538	8,631	53,152	53,947	8,187	10,972	11,829	52,020	65,983	72,250
Wild hay, tons.....	4,505	4,911	10,865	12,315	1,936	3,261	4,286	5,455	8,633	11,368
Alfalfa hay, tons.....	3,631	3,559	12,249	12,780	4,950	6,273	6,749	19,277	24,907	23,611
Clover and timothy, tons.....	2,130	2,396	22,040	23,869	1,054	2,002	3,021	17,647	25,070	33,603
White potatoes, bu.....	414	373	3,383	3,197	30,721	33,050	40,477	348,092	320,353	365,556
Sweet potatoes, bu.....	33	33	770	761	2,515	2,644	2,839	64,924	65,073	62,386
Dry beans, 100 lb. bags.....	610	579	1,742	1,671	1,571	2,211	2,465	10,429	12,280	11,594
Sugar beets, short tons.....	334	364	960	1,036	3,324	4,288	4,269	7,902	11,030	7,854
Tobacco, lbs.....	7	8	1,365	1,770	5,610	7,412	5,185	1,039,517	1,385,107	1,470,556
Apples, bu.....	.....	.....	.....	.....	6,784	7,072	7,703	112,011	142,981	156,303
Peaches, bu.....	.....	.....	.....	.....	3,178	921	2,421	48,720	44,942	57,919
Pears, bu.....	.....	.....	.....	.....	1,092	602	1,104	22,431	21,192	22,540

ting of alfalfa, which as the first was light, is almost completed, with rains needed to insure the start of growth for a third crop. Cutting of wild hay has commenced and although yields are light, quality is good and the crop is free from weeds. Pastures in the Blue Stem area of Kansas and northeastern Nebraska are fair to good but are furnishing little or no feed in other sections of the District. Yields of oats, rye, and barley were short and many fields were pastured or cut for hay. Although much of the land seeded to hay crops last spring has been abandoned, there is a good demand at higher prices for the short crop of alfalfa seed for late summer sowing.

Garden truck, potatoes, and fruit were seriously impaired by the drouth. The Kaw Valley potato acreage was increased 12 per cent this year but yields are about equivalent to the low ones of last year. Oklahoma reports the early commercial crop as much better than last year and prospects in the commercial areas of Nebraska and Colorado are also better. Final returns for Wyoming will depend on July and August weather conditions. Hot weather reduced the size and quality of peaches in Oklahoma where prospects were good. Apples are reported unusually free from insect injury and, although the June drop was normal, the fall is now becoming excessive. Grapes have withstood the drouth well.

Grasshoppers and chinch bugs have damaged crops generally and Government control measures to combat these pests have been extensive. Supplies of irrigation water are becoming short.

Production of cotton is not yet officially estimated but the acreage under cultivation in the United States on July 1 shows a reduction, under the Government's cotton acreage control program, of 31.4 per cent from a year ago. Present acreage is the smallest since 1905.

The acreage of cotton in cultivation on July 1:

	Area in Cultivation		Per cent of 1933	10 Yr. Aver. Abandonment 1924-1933
	July 1 1934	July 1 1933		
Oklahoma.....	2,645,000	4,133,000	64	3.1
Missouri.....	289,000	473,000	61	3.0
New Mexico.....	97,000	129,000	75	6.2
United States....	28,024,000	40,852,000	68.6	2.4

The progress and condition of cotton in this District is reported fairly good with fields clean but needing moisture. The planted acreage in Oklahoma was reduced 36 per cent, Missouri 39 per cent, and New Mexico 25 per cent from that of 1933.

A brief summary of the national outlook for crops on July 1, as reported by the Department of Agriculture, follows:

WINTER WHEAT: Excepting 1930, the smallest crop since 1902.

SPRING WHEAT: The smallest crop in fifty-four years.

ALL WHEAT: Smallest quantity produced since 1896.

CORN: Excepting 1930, smallest prospective yield since 1900.

OATS: The smallest acreage since 1905 and crop since 1890.

RYE: Acreage the smallest in twenty-two years and the yield the lowest of record, with 44 per cent of the crop required for seed.

BARLEY: Acreage remaining for harvest the smallest since 1926 and the per acre yield the lowest on record.

ESTIMATED PRODUCTION OF LEADING FARM CROPS IN THE UNITED STATES AND THE TENTH FEDERAL RESERVE DISTRICT  
From Reports of the United States Department of Agriculture and State Boards of Agriculture, in thousands of units, 000 omitted

	WINTER WHEAT		SPRING WHEAT		CORN		OATS		BARLEY		POTATOES		TAME HAY	
	July Est.	Yield	July Est.	Yield	July Est.	Yield	July Est.	Yield	July Est.	Yield	July Est.	Yield	July Est.	Yield
Colorado.....	4,824	2,412	1,960	3,500	9,616	22,044	2,486	4,131	3,096	6,880	10,010	13,050	1,546	1,993
Kansas.....	80,266	57,452	72	52	73,444	80,431	20,600	25,976	2,445	3,264	2,475	2,436	1,367	1,608
Missouri.....	19,008	16,600	33	39	129,188	141,446	16,489	32,634	165	204	2,750	2,808	1,643	2,547
Nebraska.....	16,024	25,894	1,345	3,312	179,613	234,698	10,852	23,373	2,600	8,390	9,072	8,625	1,938	2,858
New Mexico.....	495	1,210	176	275	2,140	3,332	504	836	168	234	585	640	334	352
Oklahoma.....	37,674	33,095	.....	.....	15,274	19,485	19,794	21,478	860	720	2,769	2,484	546	591
Wyoming.....	590	808	904	1,330	1,225	2,080	1,936	3,246	1,050	1,729	3,060	3,007	813	1,023
Seven states.....	158,881	137,471	4,490	8,508	410,500	503,516	72,661	111,674	10,384	21,421	30,721	33,050	8,187	10,972
Tenth District.....	143,317	123,614	4,397	8,376	306,735	389,334	58,324	84,234	10,250	21,200	28,168	30,473	6,635	8,675
United States.....	394,268	351,608	82,911	160,261	2,113,137	2,343,883	567,839	731,524	125,155	156,988	348,092	320,353	52,020	65,983

**HAY:** Production expected to be 22 per cent lower than in any previous season in the fifteen years of comparable estimates. As stocks of old hay are small, the fall supply will be the lowest in many years.

**PASTURES:** The July 1 condition of 48.9 per cent of normal is the lowest in fifty years and compares with 60.5 in 1933, 67.2 in 1911, and 69.9 in 1883, other years of low condition.

**WHITE POTATOES:** Acreage for harvest nearly 6 per cent larger than last year, with production nearly 9 per cent larger but 5 per cent below the average.

**COTTON:** Planted acreage the smallest since 1905, and the acreage under cultivation July 1 was 31.4 per cent less than a year ago. Prospective yields 13 per cent below the average of the past thirteen years.

**FIELD CROPS:** The harvested acreage will probably be the smallest in twenty-five years.

### Livestock

Government purchases of cattle in emergency drouth areas, coming to market for processing or reshipment, and forced marketings, due to a shortage of feed and water, swelled market receipts of cattle and calves at central markets in June and the forepart of July. The six principal markets of the District received more cattle in June, 1934, than in any like month since 1926 and calf receipts were the largest since 1925. June marketings of cattle were 10.5 and calves 35.3 per cent above the average for the past ten years. Arrivals during the first six months of the current year were also much larger than a year ago and somewhat in excess of normal.

Fat cattle were scarce and butcher classes advanced about 25 cents per hundredweight during the month to close at a top of \$9 at Kansas City, the best price since October, 1932, and \$2.20 over the June, 1933, top. Choice light yearlings and heavy cows were also strong to higher. Unprecedented runs of range stock and heavy marketings of plain and thin kinds carried values in those classes to the year's low levels. Drouth conditions resulted in a slackened demand for stockers and feeders and the outgo of cattle from four markets was 28 per cent below normal and that of calves 20 per cent less. Thin cows and calves dominate Government purchases in drouth stricken areas. These cattle are not offered for sale.

The effects of the Government's pig buying program of last fall and unfavorable feeding ratios in recent months, when farmers found it more profitable to sell their hogs than feed them corn, were apparent in the light marketings in June. Receipts at the six markets were the third smallest for the month in fifteen years of record and the cumulative total for the year to July 1 established a new low for the period. Offerings for June and the six months' period were approximately 20 per cent below the ten-year average. Short feed supplies and poor crop prospects resulted in the marketing of many unfinished hogs, and the average weight and general quality of offerings was lowered. A sensational rise in prices, which reached their peak the third week of the month, carried values to the highest levels since last October and closing prices above a year ago. The Kansas City opening top was \$3.40 per hundred-

weight, the closing top \$4.70, and the month's best price \$4.85 on June 21. A year ago hogs opened at \$4.65 and closed at \$4.30.

Total arrivals of sheep and lambs at the six markets were about normal for June but for the six months' period were the smallest since 1927. Omaha reported June receipts as the lightest in seventeen years. Prices worked steadily downward due to a slackened demand for dressed meat and a dull wool market. Fed lambs closed \$1 to \$1.50 per hundredweight lower and as the demand for feeders was stagnant, that class closed \$1.50 to \$2.00 lower for the month.

Supplies of horses and mules were liberal, June receipts totaling 5,959 head as compared to 9,598 in May and 5,916 in June, 1933. The June total exceeded that of all other years since 1920 and was 50 per cent larger than the average.

**RANGES AND PASTURES:** The condition of western ranges is described by the Department of Agriculture as the poorest in the twelve years reports have been issued as is also that of cattle and sheep in those areas. The immediate feed situation is bad and fall and winter feed prospects very poor, with supplies inadequate for present livestock numbers. All livestock shows considerable shrink, with some losses reported from the drier localities. Calves and lambs, crops of which were generally good, are not making the usual growth. Early, forced shipments of livestock from these areas are anticipated.

Pastures generally have deteriorated rapidly in recent weeks and most sections report a serious shortage of stock water and some loss of livestock. Many counties have been designated as emergency relief counties or secondary relief counties, giving them priority in Government relief measures or reduced rates in the shipment of feed and livestock. Pastures in the southern portion of the Blue Stem area of Kansas are still furnishing fair to good feed.

**JUNE PIG SURVEY:** According to the June 1 survey of the United States Department of Agriculture there was a decrease of 28 per cent in the nation's spring pig crop of 1934, from that of 1933, and a prospective decrease of 38 per cent in the number of sows to farrow in the fall season of 1934, from the number farrowed last fall. The number of pigs saved in the spring of 1934 was estimated at 37,427,000 head, or 14,595,000 head less than in the preceding spring. The corn belt showed a reduction of 28 per cent in the spring pig crop and a prospective reduction of 42 per cent in fall farrowings. These estimates indicate a reduction of 31.3 per cent in the 1934 hog crop to the lowest total in at least twenty years.

**POULTRY AND DAIRY PRODUCTS:** Eggs and poultry are slightly higher than a year ago and butterfat fractionally lower. Except for a seasonal decline in broiler prices, quotations of the foregoing products have shown little change in recent weeks. Egg production has fallen off and current receipts are lighter than a year ago, and due to the heat, show heavy spoilage. Milk production is sharply below last year.

#### JUNE MOVEMENT OF LIVESTOCK IN THE TENTH DISTRICT

	RECEIPTS				STOCKERS AND FEEDERS			PURCHASED FOR SLAUGHTER				
	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep
Kansas City.....	112,158	30,402	*302,383	101,807	13,888	1,910	5,057	11,620	75,825	29,145	*286,034	87,186
Omaha.....	156,196	17,470	252,390	111,635	16,759	1,125	4,261	12,150	92,602	14,466	194,445	98,396
St. Joseph.....	44,717	11,522	143,183	86,223	3,665	497	1,807	6,448	36,430	10,777	131,565	77,034
Denver.....	21,460	2,927	66,073	207,360	3,307	388	185	15,624	12,893	2,263	44,774	8,762
Oklahoma City.....	23,566	3,858	23,709	8,899	.....	.....	.....	.....	12,572	3,337	20,441	6,154
Wichita.....	10,627	2,783	29,267	9,220	.....	.....	.....	.....	6,164	2,271	28,033	8,805
June 1934.....	368,724	68,962	817,005	525,144	37,619	3,920	11,310	45,842	236,486	62,259	705,292	286,337
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
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
Six months 1934.....	2,175,732	334,057	4,836,233	3,683,891	294,282	45,998	46,513	304,363	1,312,783	281,320	4,143,896	2,081,448
Six months 1933.....	1,755,610	251,977	4,940,679	3,861,115	322,902	55,110	47,130	321,302	1,012,932	170,216	4,410,683	2,167,647

\*Includes 189,536 hogs shipped direct to packers' yards.

## Meat Packing

Forces at meat packing establishments have been increased to take care of Government purchases of drouth cattle being slaughtered for relief distribution.

Packers' purchases of cattle at the six markets were about the same in June as in May but 20 per cent larger than last year. Calf slaughter showed an increase of 18.9 per cent for the month and 86.2 per cent for the year, being the heaviest for any June in fifteen years of record. Purchases of hogs, including shipments direct to packers' yards, were substantially smaller than in either the preceding month this year or the corresponding month last year, and the third smallest of record. The slaughter of sheep and lambs was the lightest for the month since 1925, 21 per cent short of the May volume and 11.7 per cent under the June, 1933, total.

Slaughter of cattle and calves under Federal meat inspection showed the fourteenth successive increase over a year ago in June, whereas the slaughter of hogs and sheep showed their fifth successive monthly decrease. The June total established a new all-time record for calf slaughter. Cattle slaughter was the largest for any month since November, 1926. Government purchases of about 100,000 head, of which 20 per cent were calves, largely accounted for the heavy increase in beef. Hog slaughter was the largest for the month since 1928, June, 1932, excepted. The June slaughter of sheep and lambs was the smallest since 1929.

Federally inspected slaughter of meat animals during June and the first six months of 1934 with comparisons:

	Cattle	Calves	Hogs	Sheep
June 1934.....	932,000	601,000	3,763,000	1,259,000
May 1934.....	864,000	600,000	4,218,000	1,244,000
June 1933.....	751,000	441,000	4,626,000	1,490,000
Six months 1934.....	4,880,000	3,170,000	23,256,000	7,475,000
Six months 1933.....	3,883,000	2,403,000	24,708,000	8,399,000

## Cold Storage Holdings

July 1 United States cold storage holdings of beef, frozen eggs, and cheese were larger than a year ago, and those of lard, cased and frozen eggs, and cheese above the five-year average for that date. Stocks of all commodities except pork, which declined 2 per cent, or about the usual seasonal amount, showed increases during June. Last year inventories of pork showed a gain of 13.4 per cent for the month. The net in-movement of beef and poultry, although contrary to seasonal trends, was much smaller than last year. Government holdings of beef, derived from the slaughter of cattle from the drouth areas and held for relief distribution, accounted in part for the increase in stocks of that commodity.

Accumulations of lard and butter were substantially less in June than a year ago and somewhat below normal. The input of frozen eggs exceeded the June, 1933, and customary volume, whereas that of cased eggs was not so great. Gains in stocks of miscellaneous meats and cheese, although less than a year ago, were above the average.

	*July 1 1934	June 1 1934	July 1 1933	July 1 5-Yr. Av.
Beef, lbs.....	45,014	42,546	35,136	45,908
Pork, lbs.....	627,965	641,568	760,730	756,163
Lamb and mutton, lbs.....	1,450	1,363	1,807	2,677
Poultry, lbs.....	40,581	39,790	42,705	41,235
**Turkeys, lbs.....	8,387	9,493	7,260	6,460
Miscellaneous meats, lbs.....	60,797	52,599	64,836	72,832
Lard, lbs.....	195,973	182,240	186,250	150,439
Eggs, cases.....	8,963	7,819	9,364	8,893
Eggs, frozen (case equivalent).....	3,325	2,684	2,943	2,954
Butter, creamery, lbs.....	70,249	27,161	106,378	95,661
Cheese, all varieties, lbs.....	96,473	71,469	78,715	80,416

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

## Petroleum

The production of crude petroleum in the states of Oklahoma, Kansas, New Mexico, Wyoming, and Colorado, as estimated from the weekly reports of the American Petroleum Institute, totaled 22,461,000 barrels in June. This represents a daily average of 748,700 barrels, which is 0.5 per cent below the daily average for May, 6.5 per cent above the Bureau of Mines' figure for June, 1933, and 2.6 per cent above Federal allowables effective June 1. Production in these states for the six months' period is estimated at 129,682,000 barrels this year and 114,003,000 barrels last year.

On July 1 the Federal quota for the District was reduced from 729,500 barrels per day to 706,800 barrels and that of the United States increased 2,000 barrels to 2,530,300 barrels. Allotments were cut in all states of this District except Kansas where allowables were increased 4,200 barrels per day.

Production figures for the five oil producing states of the District and the United States during June and the half year with comparisons:

	*June 1934 Barrels	May 1934 Barrels	June 1933 Barrels	*6 Mos. 1934 Barrels	6 Mos. 1933 Barrels
Oklahoma.....	16,011,000	16,474,000	15,507,000	92,346,000	81,747,000
Kansas.....	3,877,000	4,173,000	3,486,000	22,769,000	19,693,000
Wyoming.....	1,052,000	1,152,000	973,000	5,938,000	5,639,000
Colorado.....	86,000	98,000	77,000	521,000	481,000
New Mexico	1,435,000	1,426,000	1,051,000	8,108,000	6,443,000
Total.....	22,461,000	23,323,000	21,094,000	129,682,000	114,003,000
U. S.....	77,531,000	79,870,000	82,841,000	446,171,000	433,230,000

\*June estimated, American Petroleum Institute.

Crude oil prices remained unchanged despite the continued heavy production of "hot" oil and a weakened market for refined products. Mid-continent crude prices ranged from 76 cents to \$1.08 per barrel per gravity test as against a range of 20 to 52 cents per barrel last June. Natural gasoline prices were cut in half during the month and all refined products were weak to lower at the close.

With companies apparently anxious to establish additional crude oil reserves, field operations continued active, resulting in some important completions and discoveries.

Stocks of domestic and foreign crude oil in the United States, as reported to the Secretary of the Interior, totaled 343,121,000 barrels on June 2 and 343,707,000 barrels on June 30.

## Bituminous Coal

Coal production, although in a seasonal slump, is unusually low for this time of the year. June 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, totaled but 865,000 tons which was, with the exception of last year, the lowest for the month in many years. Output showed a 6 per cent gain over May and a 4.7 per cent gain over June, 1933.

District production for the first six months of the current year totaled 7,487,000 tons, 21,000 less than in the like period last year. Production for the United States totaled 182,685,000 tons during the first half of 1934 as against 145,210,000 tons in the first six months of 1933.

Soft coal production in the six states and the United States as indicated by the reports of the Bureau of Mines:

	*June 1934	May 1934	June 1933
Colorado.....	213,000	248,000	188,000
Kansas and Missouri.....	304,000	210,000	279,000
New Mexico.....	68,000	80,000	77,000
Oklahoma.....	37,000	28,000	55,000
Wyoming.....	243,000	250,000	227,000
Six states.....	865,000	816,000	826,000
United States.....	26,430,000	28,100,000	25,320,000

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



### Cement

Portland cement mills in the Tenth District produced 11.1 per cent more cement in June than in May and 19.5 per cent more than in June last year. Output for the first six months totaled 3,782,000 barrels this year as compared to 2,681,000 barrels in 1933.

June production exceeded shipments but, for the half year, the latter exceeded the former. Production and shipments for the six months' period were the largest since 1931.

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

	TENTH DISTRICT			UNITED STATES		
	Production	Shipments	Stocks	Production	Shipments	Stocks
June 1934....	858	705	1,791	8,786	8,539	21,547
May 1934....	772	965	1,739	8,554	8,784	21,301
June 1933....	718	701	1,789	7,804	7,979	19,936
6 Mos. 1934	3,782	3,941	.....	37,088	35,163	.....
6 Mos. 1933	2,681	3,195	.....	27,668	27,927	.....

### Zinc and Lead

Mines in the Tri-State district shipped 32,342 tons more zinc ore and 2,081 tons more lead ore in the first six months of 1934 than in the same period last year, and the combined value of the deliveries showed an increase of \$1,946,000, or 60 per cent.

Shipments of zinc ore during the four weeks ended June 30, although 22.5 per cent larger than a year ago, declined 4.4 per cent as compared to the preceding four weeks as operators were unwilling to part with concentrates at bid prices. Lead ore shipments showed substantial increases over the preceding four weeks' period this year and the corresponding four weeks' period last year. Practically all of the mines and tailing mills are now closed for the annual July shut down which is expected to continue throughout the month.

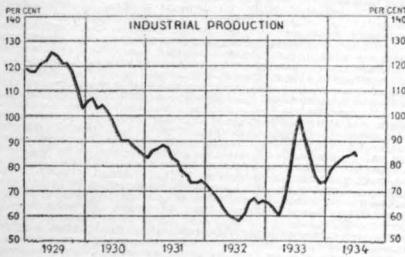
The tonnage and value of zinc ore and lead ore shipped from mines in Missouri, Kansas, and Oklahoma during the periods of comparisons:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	21,436	\$ 563,898	3,719	\$ 158,119
Kansas.....	4,033	106,174	540	22,990
Missouri.....	1,280	33,558	203	8,679
4 Wks. ended June 30, 1934.....	26,749	\$ 703,630	4,462	\$ 189,788
4 Wks. ended June 2, 1934.....	27,987	809,530	3,594	158,733
4 Wks. ended July 1, 1933.....	21,839	655,170	3,969	198,450
26 Wks. ended June 30, 1934.....	154,812	4,377,759	17,931	780,991
26 Wks. ended July 1, 1933.....	122,470	2,586,937	15,850	625,502

Zinc ore advanced \$1.00 and lead ore declined \$5.00 per ton the final week of June to close at \$28.00 and \$37.50 per ton, respectively, or \$2.00 and \$12.50 per ton lower than a year ago.

## Business Conditions in the United States

By the Federal Reserve Board



Index number of industrial production, adjusted for seasonal variation. Latest figure: June, 84.

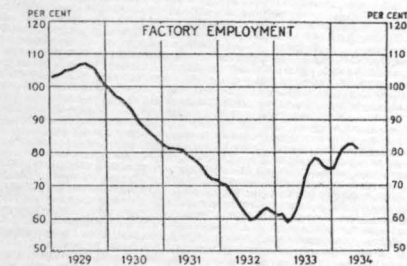
Industrial production, which had increased during each of the six months from December to May, declined in June by somewhat more than the usual seasonal amount. Factory employment and payrolls also showed decreases which were partly of a seasonal nature. The general level of wholesale commodity prices advanced during June and showed little change during the first three weeks of July.

**PRODUCTION AND EMPLOYMENT:** Volume of industrial output, as measured by the Board's seasonally adjusted index, decreased from 86 per cent of the 1923-25 average in May to 84 per cent in June, reflecting chiefly a sharp reduction in activity at cotton textile mills. Production at lumber mills and at coal mines also showed a decline. In the steel and automobile industries, activity decreased in June by an amount somewhat smaller than is usual at this season. Maintenance of activity at steel mills in June reflected in part the accumulation of stocks by consumers, according to trade reports, and at the beginning of July, output of steel showed a sharp decline.

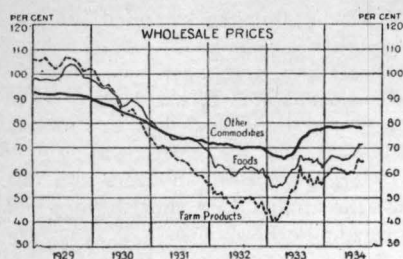
Employment at factories decreased somewhat between the middle of May and the middle of June, reflecting reductions in working forces in industries producing textile fabrics, wearing apparel, leather products, automobiles, and lumber, offset in part by increases in employment at steel mills and at meat packing establishments. Value of construction contracts awarded, which had shown little change during May and June, showed an increase in the first half of July, according to the F. W. Dodge Corporation.

Department of Agriculture estimates, based on July 1 conditions, indicated a wheat crop of 484,000,000 bushels compared with an average of 886,000,000 bushels for the five years 1927-1931, and a corn crop of 2,113,000,000 bushels, compared with the five-year average of 2,516,000,000 bushels. Crops of other grains, hay, and tobacco were also estimated to be considerably smaller than usual. The acreage of cotton under cultivation was estimated at 28,000,000 acres, about 2,000,000 less than the acreage harvested last season. In the first three weeks of July, drought conditions prevailed over wide areas, particularly in the southwest.

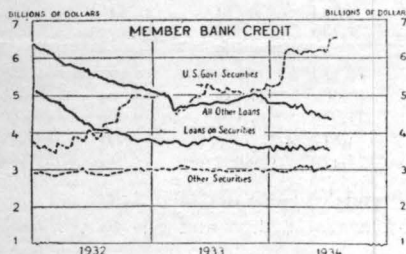
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Federal Reserve Board's index of factory employment, adjusted for seasonal variation. (1923-25 average=100.) Latest figure: June, 81.4.



Indexes of the United States Bureau of Labor Statistics. By months 1929 to 1931; by weeks 1932 to date. (1926=100.) Latest figures, July 14: farm products, 64.5; foods, 70.8; other commodities, 78.3.



Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for July 18.

**DISTRIBUTION:** The number of freight cars loaded per working day showed a further slight increase in June followed by a decline in the first half of July. Sales by department stores decreased in June by more than the estimated seasonal amount.

**WHOLESALE COMMODITY PRICES:** Wholesale prices of farm products and foods generally advanced during June while other commodities as a group showed a slight decline. Hog prices increased considerably in the middle of the month while wheat declined throughout the month. In the middle of July, wheat prices advanced rapidly to levels above those reached at the end of May, and there was a considerable advance in cotton, while lumber prices declined and finished steel prices were reduced somewhat from the advanced quotations previously announced.

**BANK CREDIT:** Between June 13 and July 18, member bank reserves increased to a new high level of nearly \$4,000,000,000, about \$1,850,000,000 in excess of legal requirements. The growth reflected chiefly a further increase in the monetary gold stock. A seasonal increase in demand for currency over the July 4th holiday period was followed by an approximately equal seasonal return flow during the succeeding two weeks. The volume of reserve bank credit outstanding showed little change.

At reporting member banks there was a growth of United States Government deposits during the five-week period, reflecting chiefly the purchase in June of new issues of Government securities by the banks. Bankers' balances also increased but deposits of individuals, firms, and corporations have shown little change. Loans declined somewhat, reflecting a decrease in loans to customers, while loans to brokers showed an increase.

Money rates remained practically unchanged at the low levels prevailing in June.