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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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THE drouth which has prevailed throughout the Tenth District is apparently broken. Rains and cooler temperatures arrived too late to benefit crops materially and ultimate yields of most crops will be the lowest of record. Corn prospects declined further in August and the crop is almost a complete failure. Fall seeding operations are progressing under more favorable conditions, the top soil being generally well supplied with moisture but the subsoil still very dry.

The live stock situation is less acute than four weeks ago. Numbers have been reduced and rains have revived pastures, improved forage prospects, and relieved the water shortage. Government purchases of cattle and calves continue in the emergency drouth areas and purchases of sheep and goats started September 10. August marketings of cattle established new all-time high records, whereas marketings of hogs were unusually light and sheep normal. Hog prices advanced sharply in August and fed cattle were higher, both bringing the best returns in three years.

Thirty-two department stores in the District reported the dollar volume of their August sales increased 35.5 per cent over July as compared to a normal increase of 20 per cent. Sales were 6.1 per cent above August, 1933, and the largest for the month since 1930. Wholesalers' sales increased 15.2 per cent for the month and 10.2 per cent as compared to a year ago. Retail lumber sales were slightly larger than in July and fractionally smaller than in August last year.

Savings deposits have shown a steady increase throughout the year and are now 14 per cent higher than at this time last year. Net demand deposits of reporting member banks show an increase of 28.9 per cent as compared to a year ago and member banks' reserve deposits with the Federal Reserve Bank of Kansas City and branches are the highest of record. Debits by banks to individual accounts show an increase of 15.8 per cent over August last year and Federal reserve bank clearings are 43.5 per cent larger. Commercial failures are the lowest since 1920.

The United States Department of Agriculture's index of farm prices jumped 7 points from July to August to 87 per cent of the 1909-1914 average, whereas the index of prices paid by farmers was up 1 point to 123 per cent of the average. The ratio of prices received by farmers to prices paid now stands at 77 per cent of pre-war as against 64, 55, 61, 74, and 91, one, two, three, four, and five years ago.

Higher prices for the short crops; enhanced farm inventory values, including corn held under Government seal; sales of heretofore waste crops; higher prices for hogs, cattle, and poultry and dairy products; returns from live stock liquidations; A. A. A. benefit payments under crop reduction programs; employment on Federal projects; and farm and home

BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT
Percentages of Increase, or Decrease (—), for August 1934 over July 1934 and August 1933 and for the first eight months of 1934 over the like period in 1933.

	August 1934 Compared to		8 Months 1934 Compared to
	July 1934	Aug. 1933	8 Months 1933
Banking			
Payments by check, 29 cities.....	— 8.6	15.8	17.8
Federal Reserve Bank clearings.....	— 2.3	43.5	44.0
Business failures, number.....	18.9	—47.6	—56.9
Business failures, liabilities.....	7.7	—82.9	—63.1
Loans, 52 member banks.....	— 0.4	1.0	.....
Investments, 52 member banks.....	2.5	19.6	.....
Net demand deposits, 52 member banks.....	3.5	28.9	.....
Time deposits, 52 member banks.....	0.5	1.1	.....
Savings deposits, 45 selected banks.....	0.7	14.0	.....
Savings accounts, 45 selected banks.....	0.5	5.3	.....
Distribution			
Wholesalers' sales, 5 lines combined.....	15.2	10.2	20.2
Retailers' sales, 32 department stores.....	35.5	6.1	16.7
Lumber sales, 157 retail yards.....	2.2	— 0.9	3.0
Life insurance, written.....	— 3.7	— 1.4	20.8
Construction			
Building contracts awarded, value.....	190.8	123.0	69.1
Residential contracts awarded, value.....	23.8	—28.4	0.2
Building permits in 17 cities, value.....	—37.4	22.8	61.4
Production			
Flour.....	7.1	24.8	— 4.7
Crude petroleum.....	— 2.9	—12.0	6.9
Soft coal.....	33.2	— 8.1	0.7
Zinc ore (shipped) Tri-State district	106.3	19.5	17.5
Lead ore (shipped) Tri-State district	93.0	—49.4	— 6.6
Cement.....	— 6.8	20.0	33.3
Grain receipts, 5 markets			
Wheat.....	—71.7	20.3	—24.5
Corn.....	110.2	550.8	1.7
Oats.....	81.1	108.9	—44.9
Live stock receipts, 6 markets			
Cattle.....	51.2	195.8	65.4
Calves.....	66.8	455.4	132.5
Hogs.....	—40.8	—52.4	— 8.1
Sheep.....	19.9	4.9	— 2.4
Horses and mules.....	28.1	65.9	53.7
Meat packing, 6 markets			
Cattle.....	24.8	93.1	49.0
Calves.....	33.9	372.2	147.9
Hogs.....	—44.1	—55.8	—11.9
Sheep.....	3.6	— 2.9	— 4.0

mortgage relief through Government agencies are the principal factors underlying sustained purchasing power in this District.

Banking and Credit

MEMBER BANK OPERATIONS: The demand for credit, at fifty-two reporting member banks in selected cities of the Tenth District, declined slightly during the four weeks' period ended September 12. However, the total of loans and discounts reported for that date was 1 per cent above that of September 13, 1933. Loans secured by stocks and bonds and

"all other" loans shared about equally in the decline for the month and the increase for the year.

The banks increased their investment holdings 2.5 per cent in four weeks and 19.6 per cent in fifty-two weeks and present holdings are, with the exception of last March, the highest of record. Investments in other bonds, stocks, and securities showed the larger increase for the four weeks' period, whereas investments in United States Government securities made the larger gain for the year. The total of loans, discounts, and investments held by these banks is now larger than at any time since March 16, 1932.

Net demand deposits again increased, advancing 3.5 per cent in four weeks to a total of \$456,228,000 on September 12, on which date they were higher than at any time since July 1, 1931, and 28.9 per cent larger than one year earlier. Government financing, including allotment payments, and heavy marketings of corn and cattle were partially accountable for the gain during the four weeks' period. Time deposits have shown little change the past eighteen months but Government deposits are up 31.2 per cent for the year.

Principal resource and liability items of fifty-two reporting member banks as of September 12 are shown in the following table with comparisons:

	Sept. 12, 1934	Aug. 15, 1934	Sept. 13, 1933
Loans and investments—total..	\$568,674,000	\$560,752,000	\$508,493,000
Loans and discounts—total.....	214,786,000	215,606,000	212,672,000
Secured by stocks and bonds	58,012,000	58,305,000	57,059,000
All other loans and discounts	156,774,000	157,301,000	155,613,000
Investments—total.....	353,888,000	345,146,000	295,821,000
U. S. securities.....	231,861,000	230,422,000	187,870,000
Other bonds, stks., and sec.....	122,027,000	114,724,000	107,951,000
Reserve with F. R. bank.....	91,207,000	92,293,000	62,740,000
Net demand deposits.....	456,228,000	440,946,000	353,919,000
Time deposits.....	166,097,000	165,298,000	164,264,000
Government deposits.....	19,598,000	23,013,000	14,939,000

RESERVE BANK OPERATIONS: The weekly condition statements of the Federal Reserve Bank of Kansas City and branches showed slight declines between August 15 and September 12 in the amounts of bills rediscounted for member banks, bills purchased in the open market, and United States Government securities held. Advances for industrial purposes, made in conformity with recent provisions for such loans, increased from \$3,200 on August 15 to \$84,792 on September 12. Compared to September 13, 1933, loans to member banks show a reduction of \$4,046,239 and purchases of United States securities a gain of \$19,936,500. The enlarged holdings of Government securities accounted for an increase since September 13, 1933, of 20.6 per cent in the total of bills and securities held by this bank and branches.

Member banks' reserve deposits increased 3 per cent in four weeks, establishing a new all-time high of \$158,064,777 on September 12, \$52,036,742 higher than one year earlier. Federal reserve note circulation was up 1.9 per cent in four weeks and 4.7 per cent in fifty-two weeks.

The following table shows the principal items contained in the statement as of September 12, with comparative figures for August 15, 1934, and September 13, 1933:

	Sept. 12, 1934	Aug. 15, 1934	Sept. 13, 1933
Total reserves.....	\$187,559,012	\$180,867,700	\$149,813,270
Bills discounted.....	151,963	155,421	4,198,202
Bills purchased.....	142,220	142,276	177,445
Industrial advances.....	84,792	3,200	.....
U. S. securities.....	92,944,200	93,144,200	73,007,700
Total bills and securities.....	93,323,175	93,445,097	77,383,347
Total resources.....	315,007,804	307,953,908	255,653,858
F. R. notes in circulation.....	114,018,910	111,921,110	108,907,135
F. R. bank notes in cir.—net.....	.....	.....	666,900
Member banks' reserve deposits	158,064,777	153,527,907	106,028,035

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

Reserve Bank Clearings

During the month of August the Federal Reserve Bank of Kansas City and branches at Denver, Oklahoma City, and Omaha handled 4,860,092 items aggregating \$818,078,000 for collection. These totals represent a 2.2 per cent increase in the number of items handled and a 2.3 per cent decrease in dollars as compared to July. Compared with the record for August, 1933, items handled showed an increase of 15 per cent and the dollar amount an increase of 43.5 per cent.

The figures for July, August, and the first eight months of this year and last follow:

	ITEMS		AMOUNT	
	1934	1933	1934	1933
August.....	4,860,092	4,226,096	\$ 818,078,000	\$ 570,082,000
July.....	4,756,091	4,323,092	837,174,000	634,691,000
Eight months.....	40,710,618	31,599,766	6,015,661,000	4,177,412,000

Bank Debits

Banks in twenty-nine leading cities of the District reported debits to individual accounts, during the five weeks' period ended September 5, as 8.6 per cent smaller than in the five weeks' period ended August 1 this year, but 15.8 per cent larger than in the five weeks' period ended September 6 last year. Cumulative totals for the year to September 5 show an increase over the like period last year of 17.8 per cent.

PAYMENTS BY CHECK

	FIVE WEEKS ENDED		Per cent Change
	Sept. 5, 1934	Sept. 6, 1933	
Albuquerque, N. M.....	\$ 9,612,000	\$ 6,183,000	55.5
Atchison, Kans.....	3,450,000	3,232,000	6.7
Bartlesville, Okla.....	21,385,000	20,255,000	5.6
Casper, Wyo.....	4,288,000	4,717,000	— 9.1
Cheyenne, Wyo.....	6,851,000	3,597,000	90.5
Colorado Springs, Colo.....	13,254,000	11,483,000	15.4
Denver, Colo.....	146,485,000	120,943,000	21.1
Enid, Okla.....	11,342,000	9,045,000	25.4
Fremont, Nebr.....	2,608,000	1,974,000	32.1
Grand Junction, Colo.....	2,699,000	1,454,000	85.6
Guthrie, Okla.....	1,266,000	1,275,000	— 0.7
Hutchinson, Kans.....	15,482,000	11,680,000	32.5
Independence, Kans.....	4,383,000	4,020,000	9.0
Joplin, Mo.....	7,651,000	7,705,000	— 0.7
Kansas City, Kans.....	10,445,000	9,005,000	16.0
Kansas City, Mo.....	303,418,000	281,438,000	7.8
Lawrence, Kans.....	3,029,000	2,869,000	5.6
Lincoln, Nebr.....	22,706,000	22,208,000	2.2
Muskogee, Okla.....	6,104,000	5,643,000	8.2
Oklahoma City, Okla.....	75,512,000	61,778,000	22.2
Okmulgee, Okla.....	2,196,000	2,282,000	— 3.8
Omaha, Nebr.....	139,297,000	120,725,000	15.4
Pittsburg, Kans.....	3,135,000	2,935,000	6.8
Pueblo, Colo.....	15,176,000	11,533,000	31.6
Salina, Kans.....	8,609,000	7,224,000	19.2
St. Joseph, Mo.....	28,829,000	27,517,000	4.8
Topeka, Kans.....	15,414,000	11,901,000	29.5
Tulsa, Okla.....	89,780,000	69,745,000	28.7
Wichita, Kans.....	40,605,000	32,120,000	26.4
Total 29 cities, 5 weeks.....	\$ 1,015,011,000	\$ 876,486,000	15.8
Total 29 cities, 35 weeks.....	7,119,613,000	6,042,654,000	17.8
U. S. 267 cities, 5 weeks.....	29,852,359,000	29,115,838,000	2.5

Savings

For the tenth consecutive month savings deposits, at forty-five selected banks in leading cities of the District, increased during August. The gain for the month amounted to 0.7 per cent, with savings deposits as of September 1 reported as 14 per cent larger than on the same date last year. The banks also reported gains of 0.5 per cent for the month and 5.3 per cent for the year in the number of savings accounts.

Savings deposits and savings accounts at forty-five banks:

	Savings Accounts	Savings Deposits
September 1, 1934.....	391,408	\$114,194,608
August 1, 1934.....	389,465	113,385,592
September 1, 1933.....	371,837	100,206,469

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

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED		
	Aug. 1934	Year 1934	Aug. 31, 1934	Aug. 31, 1933	August		Year		Aug. 31, 1934	Aug. 31, 1933	July 1934	Aug. 1934	
	compared to Aug. 1933	compared to Year 1933	compared to July 31, 1934	compared to Aug. 31, 1933	1934	1933	1934	1933	compared to July 31, 1934	compared to Aug. 31, 1933	compared to July 1934	compared to Aug. 1933	
Kansas City.....	4	1.0	14.7	Even	— 0.4	.19	.18	1.56	1.38	12.4	6.4	—18.1	11.0
Denver.....	4	9.5	15.1	8.0	— 0.3	.34	.31	2.23	2.07	7.2	3.2	— 7.5	10.7
Oklahoma City....	3	9.6	22.1	13.1	—11.1	.33	.28	2.66	2.19	1.5	6.1	—26.1	17.6
Tulsa.....	3	6.7	15.4	7.1	—17.4	.32	.27	2.90	2.96	1.2	— 2.3	—20.1	8.5
Wichita.....	3	7.7	21.8	7.9	19.6	.30	.32	2.07	1.97	2.2	— 1.4	—27.0	8.7
Other cities.....	15	4.5	17.0	14.2	1.5	.23	.23	1.89	1.80	— 0.2	— 6.2	—13.8	10.3
Total.....	32	6.1	16.7	7.2	— 2.9	.26	.25	2.02	1.85	4.5	1.0	—15.6	11.2

NOTE: Percentage of collections in August on open accounts July 31, all stores reporting 38.3. Collections same month last year 35.1.

Failures

There were 44 business failures, with liabilities aggregating \$517,623 in the Tenth Federal Reserve District during August. These totals represent the least number of failures and the smallest amount of liabilities reported for any August since 1920. The August figures exceeded the July totals both in the number of defaults and the amount of liabilities involved.

Business failures in the Tenth District and the United States as reported by Dun and Bradstreet, Inc.:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
August 1934.....	44	\$ 517,623	929	\$ 18,459,903
July 1934.....	37	480,641	912	19,325,517
August 1933.....	84	3,019,247	1,472	42,776,049

Retail Trade

Trade at thirty-two reporting department stores, located throughout the Tenth District, improved with the mid-August passing of the extremely hot weather, which was a deterrent to business, the termination of summer vacations, and the opening of schools. August sales, in dollars, were 35.5 per cent larger than in July. This increase over July sales, although not quite as large as a year ago, compares favorably with a normal increase of 20 per cent. Sales were 6.1 per cent larger than a year ago, 29 per cent larger than two years ago, and about equal to the August, 1931, volume. During the first eight months of the year, sales were, for the first time in five years, larger than in the preceding year, increasing 16.7 per cent over the like period in 1933.

Inventories were enlarged 7.2 per cent, or about the usual amount during August, but stocks as of August 31 were 2.9 per cent smaller than one year earlier.

Collections during August on open accounts averaged 38.3 per cent of amounts outstanding July 31 as compared to collection percentages of 40 per cent for July this year and 35.1 per cent for August last year. Collections on installment accounts, as reported by sixteen stores, amounted to 14.1 per cent of receivables in August, 14.2 per cent in July, and 14.9 per cent in August, 1933.

Wholesale Trade

Sales of merchandise by reporting wholesale firms in the Tenth District, engaged in five lines of distribution, were 15.2 per cent larger in August than in July. The August reports, by separate lines, indicate sizable increases in sales of dry goods, groceries, and furniture, a moderate increase in sales of drugs, and a small decline in sales of hardware.

August sales for the five lines combined were larger this year than in any year since 1930, the dollar volume increasing 10.2 per cent as compared to August, 1933, and 24.5 per cent as compared to August, 1932. The accumulated total of sales for the year to September 1 was, due to the heavy gains reported for the early months of the year, 20.2 per cent above the total reported for the corresponding period a year ago. Wholesalers of dry goods, groceries, hardware, and drugs reported their August sales as 6.5, 17.6, 1.7, and 20.2 per cent, respectively, above a year ago but furniture sales, following the enormous increase of August, 1933, over August, 1932, fell off 21.4 per cent.

All lines, except furniture with an increase of 2.3 per cent, reported a slight reduction in inventory values during the month. Month-end stocks of groceries were 4.2 per cent smaller than a year ago but inventories of dry goods were 13.2, hardware 15.3, furniture 35.7, and drugs 14.3 per cent larger.

Lumber

Sales of lumber at 157 retail yards in cities and towns of this District were slightly heavier for August than for July, but fractionally below the volume reported for August, 1933. Dollar sales of all materials, however, were 7.7 per cent larger than in July and 20.8 per cent larger than a year ago. Lumber stocks as of August 31 were smaller than one month or one year earlier.

Collections during August amounted to 32.4 per cent of accounts receivable on July 31. This ratio compares with collection percentages of 35.1 per cent reported for July this year and 24.2 per cent for August, 1933.

August business is herewith compared with the preceding month and the same month last year in percentages of increase or decrease:

	August 1934	Compared to July 1934	August 1933
Sales of lumber, board feet.....	2.2	— 0.9	
Sales of all materials, dollars.....	7.7	20.8	
Stocks of lumber, board feet.....	— 0.7	— 6.7	
Outstandings, end of month.....	4.0	— 8.7	

According to reports to the National Lumber Manufacturers Association, lumber production in the United States for the week ended September 1 fell 15 per cent short of output for the same week last year. Shipments were 4 per cent smaller and orders booked 11 per cent larger than a year ago.

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	SALES		OUTSTANDING		AMOUNTS COLLECTED		STOCKS		
	Aug. 1934	Aug. 1933	Aug. 31, 1934	Aug. 31, 1933	July 1934	Aug. 1933	Aug. 31, 1934	Aug. 31, 1933	
	compared to July 1934	compared to Aug. 1933	compared to July 31, 1934	compared to Aug. 31, 1933	compared to July 1934	compared to Aug. 1933	compared to July 31, 1934	compared to Aug. 31, 1933	
Dry goods.....	6	36.7	6.5	17.6	—13.4	6.9	— 1.0	— 0.4	13.2
Groceries.....	5	20.0	17.6	7.1	—18.6	20.7	18.1	— 2.5	— 4.2
Hardware.....	8	— 3.1	1.7	— 2.3	— 5.6	—13.6	12.7	— 5.2	15.3
Furniture.....	5	27.7	—21.4	— 0.1	—24.2	5.4	— 3.5	2.3	35.7
Drugs.....	7	5.0	20.2	— 0.2	— 6.8	— 1.2	15.6	— 0.6	14.3

Building

Construction activity continues to lag, building departments in seventeen cities of the District issuing comparatively few permits in August, with a majority of those being for alterations and repairs. Estimated expenditures declined somewhat for the month and, although 22.8 per cent larger than a year ago, were equal to but 16 per cent of the August average of the past ten years.

BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1934	1933	1934	1933
Albuquerque, N. M.	69	55	\$ 30,288	\$ 84,467
Cheyenne, Wyo.	40	28	14,676	3,867
Colorado Springs, Colo.	21	30	10,325	13,800
Denver, Colo.	276	314	207,825	184,855
Joplin, Mo.	20	16	16,010	29,250
Kansas City, Kans.	27	25	10,145	7,000
Kansas City, Mo.	218	126	190,000	129,900
Lincoln, Nebr.	120	55	28,683	48,366
Oklahoma City, Okla.	97	61	52,345	100,180
Omaha, Nebr.	74	69	60,734	93,545
Pueblo, Colo.	51	27	12,252	3,870
Salina, Kans.	12	5	14,225	1,210
Shawnee, Okla.	11	9	212,500	3,880
St. Joseph, Mo.	17	21	24,805	13,660
Topeka, Kans.	48	54	35,330	48,930
Tulsa, Okla.	66	52	62,015	59,100
Wichita, Kans.	55	55	50,106	14,680
Total 17 cities, August	1,222	1,002	\$1,032,264	\$ 840,560
Eight months	8,353	7,604	9,013,313	5,585,629

According to statistics compiled by the F. W. Dodge Corporation, building contracts awarded in the Tenth District during August totaled \$10,746,919, or more than in any month since last December or any August since 1930. Awards for residential construction, however, failed to show a corresponding improvement, being 23.8 per cent larger for the month but falling 28.4 per cent short of the August, 1933, expenditures.

Residential and total building contracts awarded as reported by the F. W. Dodge Corporation:

	TENTH DISTRICT		UNITED STATES	
	Residential	Total	Residential	Total
August 1934	\$ 552,269	\$10,746,919	\$ 18,641,000	\$ 120,244,500
July 1934	445,969	3,695,353	19,879,100	119,698,800
August 1933	771,241	4,819,177	21,937,000	106,131,100
8 Mos. 1934	6,129,689	48,885,347	170,424,300	1,095,553,800
8 Mos. 1933	6,116,418	28,906,217	158,776,100	621,575,800

Life Insurance

Sales of new paid-for ordinary life insurance in the seven states of the District, as reported to the Life Insurance Research Bureau, declined 3.7 per cent from July to August and 1.4 per cent as compared to August, 1933. Combined totals for the eight months, however, showed an increase of 20.8 per cent for this year over last.

Life insurance sales by states as reported by the Life Insurance Research Bureau:

	August 1934	July 1934	August 1933
Colorado	\$ 4,174,000	\$ 4,381,000	\$ 3,595,000
Kansas	5,182,000	5,062,000	4,798,000
Missouri	14,849,000	16,244,000	15,095,000
Nebraska	3,880,000	4,028,000	5,956,000
New Mexico	715,000	648,000	546,000
Oklahoma	5,190,000	4,990,000	4,435,000
Wyoming	718,000	689,000	778,000
Seven states	\$ 34,708,000	\$ 36,042,000	\$ 35,203,000
United States	483,705,000	498,097,000	481,833,000

Flour Milling

Operating at 57.6 per cent of full-time capacity, mills in the Tenth District produced 1,848,996 barrels of flour in August. Output was 7.1 per cent above the unusually low July total and 24.8 per cent larger than in August, 1933. Excluding August, 1933, production was the lightest for the month since 1925. Grindings for the calendar year to September 1 totaled 14,549,945 barrels of flour this year and 15,266,507 barrels last year.

Production figures, as estimated from the weekly reports of southwestern mills to the Northwestern Miller, are shown in the following table:

	Aug. 1934 Barrels	July 1934 Barrels	Aug. 1933 Barrels
Atchison	111,163	93,057	106,138
Kansas City	453,249	461,114	391,237
Omaha	116,608	105,078	78,148
Salina	161,287	150,797	125,698
Wichita	130,087	109,473	146,759
Outside	876,602	806,322	634,124
Total	1,848,996	1,725,841	1,482,104
*United States	5,402,781	4,686,471	4,534,059

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

A market break of approximately 15 cents per barrel the second week of August encouraged flour buying and several large lots were sold. Prices held steady thereafter and sales the closing week of the month were largely on a hand-to-mouth basis, small and medium sized bakers being the chief buyers.

Grain Marketing

Unprecedentedly heavy marketings of corn featured the August grain trade. Receipts at the five principal markets of the District totaled 13,644,300 bushels as compared with a ten-year average volume of 3,465,000 bushels. Marketings were, excepting January, 1928, with a total of 14,583,400 bushels, the largest for any month in over fifteen years of record. Most of the corn was that released from Government sealed cribs and was purchased by elevator interests.

August receipts of wheat were, as usual, the smallest since harvest and, reflecting crop yields, exceeded last year's arrivals by 20.3 per cent but were otherwise the smallest for the month in recent years, equal to but 26.7 per cent of the normal volume. Marketings of oats and rye were heavier than in either July this year or August last year but fell over 50 per cent short of the 1924-33 average for August. Receipts of barley and kafir were also comparatively light.

Receipts of grain at the five principal market centers of the District:

	Wheat Bushels	Corn Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Kafir Bushels
Hutchinson	1,401,300	20,000	.....	1,200	1,250	16,900
Kansas City	3,507,200	6,219,000	154,000	33,000	56,000	63,000
Omaha	1,232,000	5,762,400	578,000	35,000	6,400	.....
St. Joseph	716,800	1,528,500	362,000	25,500	1,750	.....
Wichita	1,359,000	114,400	9,000	2,600	.....	2,600
August 1934	8,216,300	13,644,300	1,103,000	97,300	65,400	82,500
July 1934	29,080,550	6,491,250	609,000	68,200	38,550	116,100
August 1933	6,828,400	2,096,500	528,000	93,900	102,550	41,600
8 Mos. 1934	57,936,150	34,727,000	4,541,000	410,300	379,500	1,179,700
8 Mos. 1933	76,741,400	34,161,550	8,248,000	676,200	627,850	955,200

Grain prices worked higher during August, all classes except wheat closing at or near the month's best price. Cash wheat reached \$1.11 per bushel on August 10 and closed at \$1.06 for a net gain of 4 cents per bushel. Corn closed 11, oats 8, rye 15, and barley 22 cents per bushel higher for the month. Closing prices were well above a year ago and much higher than two years ago. Most grains are now on an import basis.

Crops

The drouth, which continued over the Tenth District the greater part of August, is now broken in all but a few scattered areas. Rains and lower temperatures arrived too late to benefit corn, cotton, grain sorghums, white potatoes, and fruits, and prospective yields of these crops declined further during the month. Hay crops, sugar beets, broom corn, and sweet potatoes showed some improvement and the outlook for dry edible beans was unchanged between August 1 and September 1. Most crops are virtually matured and ultimate yields in the Tenth District for this, the most disastrous crop season of record, will approximate the September 1 estimates of the Department of Agriculture.

Crops in the United States and the seven states, whose areas or parts thereof comprise the Tenth District, as estimated by the United States Department of Agriculture. Production is in thousands of units, 000 omitted:

	SEVEN STATES			UNITED STATES		
	Sept. 1	Final	5-Yr. Av.	Sept. 1	Final	5-Yr. Av.
Winter wheat, bu.	156,837	137,471	332,227	400,522	351,608	632,061
Spring wheat, bu.	3,673	8,508	10,461	92,763	176,370	254,298
All wheat, bu...	160,510	145,979	342,688	493,285	527,978	886,359
Corn, bu.....	79,374	503,516	602,743	1,484,602	2,343,883	2,516,307
Oats, bu.....	63,745	111,674	171,730	545,870	731,524	1,186,956
Rye, bu.....	1,252	2,203	4,575	17,261	21,236	40,950
Barley, bu.....	9,884	21,421	36,948	122,963	156,988	270,444
Gr. sorghums, bu.	17,256	37,290	40,313	53,912	87,884	93,955
Tame hay, tons...	6,946	10,972	11,829	50,727	65,983	72,250
Wild hay, tons....	1,919	3,261	4,286	5,287	8,633	11,368
Broom corn, tons..	14	25	39	29	32	47
Sugar beets, tons.	2,804	4,288	4,269	7,468	11,030	7,854
Cotton, bales.....	676	1,613	1,362	9,252	13,047	14,666
White potatoes, bu.	20,574	33,050	40,477	337,141	320,353	365,556
Sweet potatoes, bu.	1,490	2,644	2,839	64,176	65,073	62,386
Dry beans, bags..	909	2,211	2,465	9,094	12,280	11,594
Tobacco, lbs.....	3,465	7,412	5,185	1,078,117	1,385,107	1,470,556
Apples, bu.....	4,838	7,072	7,703	111,703	142,981	156,303
Peaches, bu.....	2,512	921	2,368	45,687	44,692	56,282
Pears, bu.....	774	602	1,153	23,134	21,192	22,334
Grapes, tons.....	13	20	18	1,690	1,910	2,277

Frequent and sizable rains the past three weeks have been quite general, and ranges and pastures have greened up considerably. Late cuttings of hay are now in prospect and yields of forage crops will exceed earlier expectations. Surface soil moisture supplies are, on the whole, adequate for fall seeding operations which are advancing rapidly, with much small grain being planted for winter pasture. There is still a heavy deficiency of subsoil moisture.

CORN: Tenth District corn prospects, which declined from 306,735,000 bushels on July 1 to 91,168,000 bushels on August 1, were reduced to 58,929,000 bushels by September 1. The present crop is less than 15 per cent of normal and the smallest in history. Very little of the crop will be harvested for grain, a large part being cut for silage and fodder, and the balance grazed or completely abandoned.

Corn production, by states, in thousands of bushels:

	Estimated		Final	5-Yr. Av.
	Sept 1, 1934	Aug. 1, 1934		
Colorado.....	3,606	4,808	22,044	24,119
Kansas.....	10,492	15,738	80,431	137,700
Missouri.....	24,375	34,125	141,446	150,699
Nebraska.....	29,936	51,318	234,698	230,002
New Mexico.....	1,712	1,605	3,332	3,747
Oklahoma.....	8,728	10,910	19,485	53,843
Wyoming.....	525	875	2,080	2,633
Seven states.....	79,374	119,379	503,516	602,743
Tenth District..	58,929	91,168	389,334	479,018
United States...	1,484,602	1,607,108	2,343,883	2,516,307

HAY AND FORAGE: Hay prospects showed a slight improvement during August and, as a result of the recent rains and cooler weather, prospects for late cuttings of alfalfa and late planted emergency crops of cane, millet, and sudan grass are much better. Grain sorghums, not damaged beyond recovery, have also made good progress with maturity depending on late frosts. Farmers have harvested a large quantity of weed forage, mainly Russian thistle and wild sunflower, as supplementary feed. The District will have about a half crop of hay and grain sorghums.

COTTON: Weather conditions the first three weeks of August were unfavorable for Oklahoma cotton and further deterioration was rapid. Plants failed to make their normal growth, bolls opened prematurely, and the shedding of blooms, squares, and small bolls was heavy. The September 1 condition of Oklahoma cotton was reported at 29 per cent of normal, or 13 points lower than on August 1 and the lowest condition ever reported for the state. Late August and early September rains supplied ample soil moisture and caused plants to make second growth and start blooming again. Cotton in Missouri declined 11 points and in New Mexico 8 points during August. Picking and ginning has commenced in all states. An unusually large percentage of the crop ginned so far is short staple.

The following table shows the acreage left for harvest in September this year and last, and estimated yields in the three states and the United States, thousands omitted:

	ACREAGE FOR HARVEST		INDICATED PRODUCTION (Bales)		
	Sept. 1	Sept. 1	Sept. 1	Aug. 1	Final
Oklahoma.....	1934	1933	1934	1934	1933
New Mexico.....	2,539	2,932	424	509	1,266
Missouri.....	92	84	77	83	94
Three states.....	2,919	3,353	676	768	1,613
United States.....	27,241	30,036	9,252	9,195	13,047

FRUITS: Colorado has just completed picking a record peach crop and shipments were considerably in excess of any previous year. The Oklahoma crop was also above the average. Apple harvest has started in all states, New Mexico reporting an excellent crop, and Colorado a good crop. With the above exceptions, fruit conditions are generally below last year or normal, the hot, dry weather causing serious deterioration.

POTATOES: The outlook for white potatoes in this District has declined approximately 9,000,000 bushels since July 1. The farm crop is generally a failure and the total crop will be very short, although favorable weather the balance of the season may enlarge yields. Irrigated potatoes in the Kearney district of Nebraska will yield well, but lack of irrigation water in Colorado and Wyoming resulted in serious injury during August. Sweet potatoes have been greatly improved by recent rains.

OTHER CROPS: Dry beans have suffered serious damage from the drouth but a moderate crop is being secured in most irrigated sections. Sugar beets improved 13.2 per cent during August and the irrigated crop is good, but Nebraska reports a considerable portion of the acreage abandoned. In Missouri, mid-season prospects for tobacco were the poorest in many years as the condition was but 32 per cent of normal as compared to an average of 81 per cent. Production will be more than 50 per cent under last year, due in part to the tobacco reduction program. Broom corn in Oklahoma, Kansas, New Mexico, and Colorado has improved of late and will make about a half crop.

Live Stock

Drouth liquidation and Government relief purchases swelled receipts of cattle and calves at the six principal live stock markets of the Tenth District to all-time record totals in August. Excluding Government cattle, receipts of commercial cattle were somewhat larger than the liberal offerings of August, 1933. Marketings of hogs were, with two exceptions, November, 1932, and September, 1927, the lightest for any month since September, 1921, and were in sharp contrast to the heavy receipts of a year ago, occasioned by Government purchases of pigs and sows. Supplies of sheep and lambs at these markets increased 19.9 per cent for the month, 4.9 per cent as compared to August, 1933, and were 6 per cent in excess of normal.

Top prices for cattle and hogs reached the highest levels in three years. Cattle prices, which were steady the forepart of the month, advanced the latter part, all classes closing 50 cents to \$1 per hundredweight net higher. Finished beefs and good yearlings were especially scarce but stockers and feeders and westerns were more plentiful than usual at this season. Hog trading was active throughout the month at phenomenally higher prices. Light receipts and a broad eastern demand were strengthening influences, and closing prices were almost \$3 per hundredweight higher than at the end of July. General quality of offerings was poor but improved toward the close. Prices broke sharply the first week of September but rallied somewhat the second week. Fed lambs, which opened higher, closed weak, or about 25 cents below the July close. Yearling weathers declined with lambs, but breeding ewes advanced. Feeders, although in liberal supply, met with a good demand, closing 25 cents to 35 cents higher for the month.

Stockmen throughout the District are faced with a critical shortage of feed and are making every effort to utilize all available supplies. Much wheat, rye, and barley is being seeded for winter pasture and all roughage is being conserved. The total supply of feed is the lowest of record and prices have risen to prohibitive levels. Ranges and pastures, although revived somewhat by recent rains, are furnishing little feed and live stock in general is entering the fall in below normal flesh. Water supplies have been replenished to a considerable extent but many areas still report a shortage.

Cattle on western ranges held their own in August but the condition of sheep and lambs declined 3 points and is now the lowest of record. On September 1 the condition of cattle was placed at 68 per cent of normal and that of sheep at 73 per cent as compared to the ten-year averages of 87.4 and 89.9 per cent, respectively. Many cattle have been removed from the most severe drouth areas through Government purchases and heavy losses have thereby been prevented. Calves have failed to make the usual gains and the supply of grass fat cattle has been reduced. The Osage pastures of Oklahoma

and the Blue Stem pastures of Kansas have shown remarkable improvement of late and many of the remaining cattle will be grazed till frost. In an effort to preserve the better breeding herds, registered cattle are now being purchased by the Government at a much higher scale than common kinds. Total Government purchases of cattle and calves now exceed five million head.

Losses of sheep and lambs are confined to the most severe drouth areas, conditions being particularly bad in northeastern Wyoming, southeastern Colorado, and eastern New Mexico. Lambs, except those in the higher ranges, are light, and marketings are early. Inquiry for western feeding lambs broadened toward the middle of September and the sales volume increased. Contract prices ranged from \$4.50 to \$5.00 per hundredweight for early October delivery mainly to northern Colorado feed lots. Numerous share feeding contracts with corn belt feeders were completed. Under the Government's sheep and goat buying program, which commenced September 10, flockmasters are receiving \$2 per head for ewes a year old and older and \$1.40 per head for female goats. Returns are divided equally between the owner and the lien holder. Tentative plans call for the purchase of between five and six million head of sheep, with a much larger number listed for sale. Purchases being confined to ewes one year old and older, ewe lambs will be held for replacement purposes.

Meat Packing

The slaughter of Government owned cattle and calves largely accounted for the huge increase in operations during August this year over August, 1933, in the beef divisions of Tenth District meat packing establishments, and as a result comparisons are not indicative of actual commercial supplies. More cattle and calves were slaughtered at the six markets of the District during August than in any previous month of record.

With supplies light, packers' purchases of hogs at the six markets, including direct shipments, declined 44.1 per cent as compared to July and 55.8 per cent as compared to August, 1933, and were the lightest for any month since August, 1931. August, 1933, totals included Government owned pigs and sows purchased under the pig slaughter campaign which started late in the month.

Packers' purchases of sheep and lambs showed a slight increase for the month but were 2.9 per cent under a year ago, 14 per cent below the ten-year August average, and the smallest for the month since 1925. Contracts have been let for the slaughter and canning of sheep and goats purchased under the Government program launched September 10.

The August report of Federally inspected slaughter of meat animals in the United States marks the seventh successive decrease in the slaughter of hogs and sheep as compared to the

AUGUST MOVEMENT OF LIVE STOCK 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.....	442,633	133,027	*170,090	90,701	163,955	20,447	9,883	14,769	166,397	78,768	*145,399	70,525
Omaha.....	244,713	58,695	172,894	210,675	59,288	3,049	1,800	76,683	129,466	34,535	115,856	129,107
St. Joseph.....	112,399	27,599	89,565	97,988	35,338	407	3,109	11,186	68,504	27,180	78,240	80,780
Denver.....	100,965	23,615	44,574	348,355	35,440	1,277	689	34,378	38,578	18,889	31,383	13,434
Oklahoma City.....	111,088	28,700	32,119	5,653	.....	.....	.....	.....	55,031	19,634	26,935	4,874
Wichita.....	115,843	33,541	25,600	4,826	.....	.....	.....	.....	14,381	8,990	22,754	4,409
August 1934.....	1,127,641	305,177	534,842	758,198	294,021	25,180	15,481	137,016	472,357	187,996	420,567	303,129
July 1934.....	745,916	182,979	902,897	632,600	168,889	11,465	15,081	75,482	378,414	140,423	752,356	292,638
August 1933.....	381,196	54,946	1,124,245	722,858	70,962	11,862	6,595	144,617	244,622	39,813	950,745	312,142
Eight months 1934.....	4,049,289	822,213	6,273,972	5,074,689	757,192	82,643	77,075	516,861	2,163,554	609,739	5,316,819	2,677,215
Eight months 1933.....	2,447,762	353,715	6,823,851	5,199,410	422,623	72,780	75,164	509,422	1,452,439	246,010	6,036,192	2,788,031

*Includes 90,452 hogs shipped direct to packers' yards.

like month a year ago. Cattle and calf slaughter was the largest of record. The August totals of Federally inspected slaughter with comparisons:

	Cattle	Calves	Hogs	Sheep
August 1934.....	1,576,204	970,211	2,641,187	1,523,328
July 1934.....	1,192,000	770,000	3,323,000	1,294,000
August 1933.....	840,262	415,816	3,476,715	1,532,240
Eight months 1934.....	7,648,648	4,909,820	29,220,482	10,292,371
Eight months 1933.....	5,475,137	3,220,295	32,099,344	11,330,399

NOTE: The slaughter of cattle and calves for Government relief purposes is included in the totals for 1934 and of hogs for 1933.

Cold Storage Holdings

A 30.4 per cent increase in storage stocks of beef, exclusive of drouth relief meat held for the account of the Federal Emergency Relief Administration, and declines of 16 per cent and 19.5 per cent in holdings of pork and lard during August were shown by the September 1 cold storage report issued by the Department of Agriculture. These movements reflect the increased marketings of cattle, occasioned by the drouth, and decreased supplies and lighter average weight of hogs. Stocks of pork and lard have shown an average increase of 12 per cent during August the past five years and holdings of beef normally show little change. Inventories of miscellaneous meats, which generally decline, showed a gain of 14.3 per cent and stocks of lamb and mutton and poultry increased about as usual. Storage holdings of all meats declined 9.3 per cent during the month and, although 19 per cent lower on September 1 than one year earlier, were only 5.8 per cent below the September 1 five-year average.

Owing to the extremely high temperatures which impaired quality and reduced supplies of fresh offerings, the seasonal withdrawal of eggs in August was somewhat heavier than a year ago or normally, and month-end stocks of cased eggs were 11.3 per cent under a year ago and 7.4 per cent below the average. The increase in butter stocks, which exceeded trade expectations, was not as large as in August, 1933, but larger than usual, and accumulations as of September 1 were 31.4 per cent less than a year ago and 13.8 per cent short of the five-year average. Holdings of cheese increased moderately.

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

	*Sept. 1 1934	Aug. 1 1934	Sept. 1 1933	Sept. 1 5-Yr. Av.
Beef, lbs.....	80,237	61,545	48,446	34,928
Pork, lbs.....	540,493	643,566	756,701	640,200
Lamb and mutton, lbs.....	1,606	1,518	1,487	2,381
Poultry, lbs.....	46,054	44,904	47,789	41,616
**Turkeys, lbs.....	4,766	6,648	4,062	4,415
Miscellaneous meats, lbs.....	89,420	78,266	72,848	69,093
Lard, lbs.....	168,719	209,497	224,476	138,011
Eggs, cases.....	7,936	8,961	8,944	8,568
Eggs, frozen (case equivalent).....	3,210	3,473	2,927	2,889
Butter, creamery, lbs.....	120,435	108,748	175,476	139,891
Cheese, all varieties, lbs.....	122,220	115,842	108,035	100,309

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

Petroleum

Production of crude oil in the five producing states of the District, as estimated from the weekly reports of the American Petroleum Institute, totaled 21,987,000 barrels during August. This total represents a decrease of 2.9 per cent in production from that reported by the Bureau of Mines for July and a decrease of 12 per cent from the official record for August, 1933. Declines in Oklahoma accounted for most of the losses.

Daily average production for the five states totaled 709,000 barrels in August, or 13,000 barrels in excess of Federal allowables. Federal allowables for August were: Oklahoma, 480,100; Kansas, 131,200; Wyoming, 35,000; Colorado, 3,000; New Mexico, 46,700; Tenth District, 696,000; and the United States, 2,449,300 barrels per day.

The gross crude oil production figures for the five states and the United States:

	*August 1934 Barrels	July 1934 Barrels	August 1933 Barrels
Oklahoma.....	15,129,000	15,609,000	18,756,000
Kansas.....	4,089,000	4,210,000	3,924,000
Wyoming.....	1,183,000	1,277,000	961,000
Colorado.....	113,000	109,000	77,000
New Mexico.....	1,473,000	1,460,000	1,269,000
Total five states.....	21,987,000	22,665,000	24,987,000
Total United States.....	76,763,000	81,548,000	85,239,000

*Estimated, American Petroleum Institute.

No changes in mid-continent crude oil quotations, ranging from 76 cents to \$1.08 per barrel per degrees gravity, were recorded in August. A year ago prices advanced 35 cents per barrel to close at a spread of 65 cents to 97 cents per barrel. In general the market for refined products was nervous but fuel oils and wax were strong to higher.

Coal

Operations at the bituminous coal mines in the Tenth District increased in August by somewhat more than the usual seasonal rate. The output for the month was a third larger than that for July but was smaller by 8.1 per cent than in August, 1933. Production, as estimated from the weekly reports of the United States Bureau of Mines, totaled 1,225,000 tons, or less than in any August in recent years, 1932 excepted.

The production figures by states follow:

	*August 1934 Tons	July 1934 Tons	August 1933 Tons
Colorado.....	341,000	213,000	374,000
Kansas and Missouri.....	359,000	303,000	417,000
New Mexico.....	87,000	78,000	90,000
Oklahoma.....	110,000	62,000	170,000
Wyoming.....	328,000	264,000	282,000
Total six states.....	1,225,000	920,000	1,333,000
Total United States.....	27,490,000	25,280,000	33,910,000

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

Zinc and Lead

Shipments of zinc concentrates, by mines in the Tri-State district during the four weeks' period ended September 1, were more than twice as large as in the preceding four weeks, when a large number of mines were voluntarily shut down. Deliveries exceeded the tonnage reported for the four weeks ended September 2, 1933, by 19.5 per cent, but the value was smaller as prices were much lower.

Lead ore shipments increased 93 per cent over the four weeks' period ended August 4 but were only one-half as large as a year ago, with values showing a decline of 64.4 per cent.

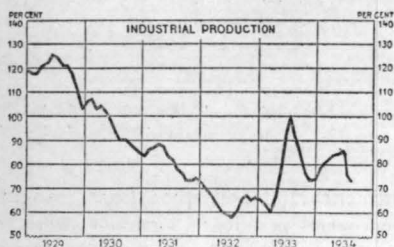
The tonnage and value of zinc ore and lead ore shipments from Missouri, Kansas, and Oklahoma:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	22,720	\$ 629,518	2,417	\$ 89,429
Kansas.....	5,718	158,768	221	8,177
Missouri.....	1,956	54,162	129	4,773
4 Weeks ended Sept. 1, 1934.....	30,394	\$ 842,448	2,767	\$ 102,379
4 Weeks ended Aug. 4, 1934.....	14,733	412,524	1,434	53,452
4 Weeks ended Sept. 2, 1933.....	25,434	884,418	5,473	287,333
35 Weeks ended Sept. 1, 1934.....	202,902	5,715,695	22,639	956,088
35 Weeks ended Sept. 2, 1933.....	172,756	4,321,432	24,236	1,064,632

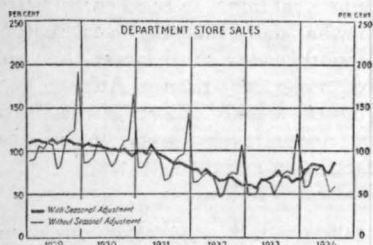
Two cuts of \$1 each brought closing prices for zinc ore to \$26 per ton, \$6 below a year ago and within \$1 of the opening and low price of 1934. Lead ore prices were unchanged at \$37.50 per ton as against \$52.50 last year.

Business Conditions in the United States

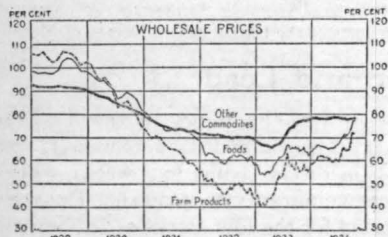
By the Federal Reserve Board



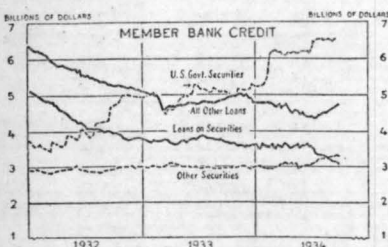
Index number of industrial production, adjusted for seasonal variation. Latest figure: August, 73.



Indexes of daily average value of sales. (1923-1925=100.) Latest figures are for August: adjusted, 79; unadjusted, 60.



Indexes of the United States Bureau of Labor Statistics. By months 1929 to 1931; by weeks 1932 to date. (1926=100.) Latest figures, September 15: farm products, 73.7; foods, 76.2; other commodities, 78.5.



Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for September 19.

Total output of industry, which usually increases at this season, showed little change in August. Factory employment and payrolls increased between the middle of July and the middle of August by about the usual seasonal amount. Distribution of commodities at department stores showed a more than seasonal growth.

PRODUCTION AND EMPLOYMENT: Output of basic industrial products, as measured by the Board's index, which makes allowance for usual seasonal changes, declined from 75 per cent of the 1923-1925 average in July to 73 per cent in August. At steel mills production continued to decline during August and the early part of September, contrary to seasonal tendency; in the middle of September a slight increase in activity was reported. Output of automobiles, which had been maintained at a relatively high rate during the spring and early summer, declined in August. Lumber production showed an increase. In the cotton textile industry, production was in larger volume in August than in July, but was retarded by the strike in the first three weeks of September. At meat packing establishments, output in August was larger than in any other recent month, accompanying heavy marketings of cattle from drought areas.

Factory employment showed a seasonal increase between the middle of July and the middle of August, reflecting considerable growth in employment in the wearing apparel, canning, and meat packing industries, while employment in the iron and steel industries and at railroad repair shops declined.

The value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was about the same in August as in each of the four preceding months.

Department of Agriculture estimates as of September 1 indicate a corn crop 40 per cent smaller than the average for the five years, 1927-1931, and other feed crops also are expected to be unusually small. The condition of pastures on September 1 was poorer than in any other recent year but some improvement has been reported in the early part of September. The spring wheat crop, estimated at 93,000,000 bushels, is about one-third of the five-year average and the winter wheat crop is also small. The cotton crop is estimated at 9,300,000 bales, a sharp reduction from other recent years.

DISTRIBUTION: Volume of freight carloadings, which usually increases at this season, showed little change in August. Shipments of miscellaneous freight showed no seasonal expansion, while shipments of live stock increased considerably. Department store sales increased by an amount substantially larger than is usual in August and were 2 per cent higher than a year ago.

COMMODITY PRICES: Wholesale prices of commodities increased in August and the first week of September, reflecting sharp advances in the prices of farm products and foods. Hog prices advanced rapidly during the month of August and in the latter part of the month cattle prices also showed a marked increase. Since the beginning of September, prices for both hogs and cattle have declined somewhat, and in the middle of the month there have also been decreases in the prices of wheat and cotton. In August, as in other recent months, there was little change in prices of commodities other than farm products and foods.

BANK CREDIT: A seasonal increase in demand for currency by the public and an increase in Government deposits at the reserve banks were reflected in a decline in member bank reserve balances between the middle of August and the middle of September. On September 19, reserve balances were about \$1,700,000,000 in excess of legal requirements. There was little change in the volume of reserve bank credit during August and September.

Total loans and investments of reporting member banks showed little change between August 15 and September 19; loans, other than security loans, increased by \$170,000,000 and holdings of securities by \$50,000,000, while security loans declined by \$200,000,000. The increase in loans other than on securities occurred largely at banks in New York City and in the western districts, and reflected chiefly a growth in direct loans to customers for ordinary commercial purposes and for financing the harvesting of crops. The banks' holdings of acceptances and commercial paper, which also reflect current business financing, increased during the period.

Short term money rates continued at low levels. Yields on both United States Government and corporate bonds increased during August and the first half of September.