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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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**C**ROP prospects in the Tenth District have undergone a radical change in the past four weeks, the hot, dry weather being unfavorable for most crops. Corn has been injured extensively and in some sections irreparably since August 1. Late hay crops, grain sorghums, vegetables, and other field crops have made very little growth. Fall plowing has been delayed and stock water supplies are running low in some areas. Good, general rains and cooler temperatures are needed immediately for the unmatured crops. Harvesting and threshing of spring grains are almost completed, and, with the exception of winter wheat, yields are heavier than a year ago and generally satisfactory. Early hay crops were good and stockmen are assured of sufficient hay and roughage for their winter needs. Irrigated crops are mostly good to excellent with ample water available for the remainder of the season.

July trade reports were, on the whole, the most favorable in several years, the dollar volume of trade at thirty-two department stores in the District being the largest for the month since 1932, and of wholesale trade, five representative lines combined, since 1931. Sales of the former showed a gain of 17.5 per cent and the latter a gain of 16.2 per cent over July, 1934. Department store trade declined somewhat less than usual from June to July, and wholesale trade, experiencing the first improvement for the season in six years, increased 6.4 per cent. Retail lumber sales were substantially larger in July than in either June this year or July last year. Residential construction registered impressive gains but other types of building activity declined. Business failures continued small both in number and in the amount of liabilities involved.

Marketings of all species of live stock and all classes of grain but corn were larger for the month but smaller than a year ago. Wheat prices advanced in response to crop uncertainties, corn was steady, but other grains worked lower. Most live stock values were steady to slightly lower, except hogs, which advanced sharply to a new six-year top of \$12.00 per hundredweight in mid-August. The Department of Agriculture's index of farm prices dropped 2 points to 102 per cent of pre-war and the ratio of prices received to prices paid was down 1 point to 81 per cent of the 1909-1914 average.

Moderate gains in the production of flour and crude oil and substantial increases in shipments of zinc ore and lead ore for the month and the year were recorded. Coal production, off 22.2 per cent as compared to June, exceeded the July, 1934, tonnage.

## BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT

Percentages of Increase, or Decrease (—), for July 1935 over June 1935 and July 1934 and for the first seven months of 1935 over the like period in 1934

	July 1935 compared to		7 Months 1935 compared to	
	June 1935	July 1934	7 Months 1934	7 Months 1934
<b>Banking</b>				
Payments by check, 29 cities.....	— 2.5	1.0	9.2	
Federal Reserve Bank clearings.....	8.2	7.7	10.3	
Business failures, number.....	—27.1	— 5.4	— 5.9	
Business failures, liabilities.....	144.0	9.8	—36.7	
Loans, 51 member banks.....	5.1	— 6.3	.....	
Investments, 51 member banks.....	— 1.6	12.9	.....	
Net demand deposits, 51 member banks	— 2.9	21.1	.....	
Time deposits, 51 member banks.....	0.3	— 5.0	.....	
Savings deposits, 45 selected banks.....	0.2	9.2	.....	
Savings accounts, 45 selected banks.....	0.5	2.9	.....	
<b>Distribution</b>				
Wholesalers' sales, 5 lines combined.....	6.4	16.2	— 2.3	
Retailers' sales, 32 department stores....	—18.5	17.5	6.0	
Lumber sales, 155 retail yards.....	38.5	80.5	19.5	
Life insurance, written.....	— 1.7	— 5.0	— 8.9	
<b>Construction</b>				
Building contracts awarded, value.....	—39.4	18.3	7.4	
Residential contracts awarded, value....	34.1	379.4	69.1	
Building permits in 17 cities, value.....	93.8	145.0	68.0	
<b>Production</b>				
Flour.....	4.2	6.0	3.4	
Crude petroleum.....	1.8	3.9	4.2	
Soft coal.....	—22.2	4.7	18.1	
Zinc ore (shipped) Tri-State district....	47.3	92.2	13.4	
Lead ore (shipped) Tri-State district....	501.5	175.5	8.7	
Cement.....	—22.6	—10.9	— 5.0	
<b>Grain receipts, 5 markets</b>				
Wheat.....	535.6	—12.8	—42.4	
Corn.....	—57.0	—80.8	—22.1	
Oats.....	131.7	—14.8	1.7	
<b>Live stock receipts, 6 markets</b>				
Cattle.....	25.1	—59.9	—25.7	
Calves.....	21.7	—70.4	—19.0	
Hogs.....	6.1	—69.8	—57.2	
Sheep.....	7.4	— 9.6	— 5.3	
Horses and mules.....	37.5	— 3.2	12.6	
<b>Meat packing, 6 markets</b>				
Cattle.....	26.4	—51.2	—30.9	
Calves.....	27.5	—67.0	—23.4	
Hogs.....	— 3.4	—71.7	—58.7	
Sheep.....	4.3	0.9	— 4.6	

## Member Bank Operations

According to their weekly condition statements, loans and discounts of fifty-one selected member banks in leading cities of the District expanded \$9,740,000 during the five weeks' period ended August 14 to a new high for the year of \$202,031,000. The increase was in commercial loans, up \$10,069,000 for the period, as loans secured by stocks and bonds were off slightly. These banks again reduced their holdings of United States Government securities, the reduction in five weeks

amounting to \$5,295,000, carrying total holdings as of August 14 to \$226,146,000 which was \$4,276,000 below the total of August 15, 1934. Total investments of the reporting banks are now 12.9 per cent larger than a year ago, due principally to large holdings of obligations fully guaranteed by the United States Government both as to principal and interest.

Net demand deposits declined \$15,842,000 in five weeks from their all-time peak of July 10, bringing the total to \$534,079,000 on August 14 this year as compared to \$440,946,000 on August 15 last year. Time deposits, up slightly in five weeks, are 5 per cent under a year ago.

The principal resource and liability items as shown by the weekly condition statements of the fifty-one reporting member banks for the three dates of comparison:

	Aug. 14, 1935	July 10, 1935	Aug. 15, 1934
Loans and investments—total.....	\$591,725,000	\$588,211,000	\$560,752,000
Loans and discounts—total.....	202,031,000	192,291,000	215,606,000
Secured by stocks and bonds.....	46,087,000	46,416,000	58,305,000
All other loans and discounts.....	155,944,000	145,875,000	157,301,000
Investments—total.....	389,694,000	395,920,000	345,146,000
U. S. securities direct.....	226,146,000	231,441,000	230,422,000
Obligations fully guaranteed by the U. S. Government.....	43,750,000	44,799,000	-----
Other securities.....	119,798,000	119,680,000	114,724,000
Reserve with F. R. bank.....	100,868,000	115,475,000	92,293,000
Net demand deposits.....	534,079,000	549,921,000	440,946,000
Time deposits.....	157,032,000	156,571,000	165,298,000
Government deposits.....	10,997,000	7,478,000	23,013,000

### Federal Reserve Bank Operations

A decline of \$15,465,973 in member banks' reserve deposits from the total of July 10, the second highest of record, and an increase of \$3,137,105 in Federal reserve note circulation, with the total as of August 14 the highest for any weekly reporting date since March 29, 1933, were the outstanding changes reflected by the weekly condition statements of the Federal Reserve Bank of Kansas City and branches during the five weeks' period ended August 14. Member bank borrowings increased by \$62,670 to the insignificant total of \$127,213 but holdings of bills purchased in the open market and industrial advances were relatively unchanged. Holdings of United States Government securities, virtually stationary since March 6, accounted for \$106,844,200 of the total of \$108,256,925 of bills and securities held on August 14.

Compared to August 15, 1934, bills discounted for member banks and bills purchased in the open market were down somewhat, whereas all other items recorded gains, member banks' reserve deposits increasing 14.2 per cent, Federal reserve note circulation 12.3 per cent, United States securities holdings 14.7 per cent, and total resources 13.4 per cent.

Weekly condition statements as of the three dates indicate the changes in the principal items in five weeks and fifty-two weeks:

	Aug. 14, 1935	July 10, 1935	Aug. 15, 1934
Total reserves.....	\$203,315,649	\$212,970,281	\$180,867,700
Bills discounted.....	127,213	64,543	155,421
Bills purchased.....	126,566	126,615	142,276
Industrial advances.....	1,158,946	1,160,227	3,200
U. S. securities.....	106,844,200	107,044,200	93,144,200
Total bills and securities.....	108,256,925	108,395,585	93,445,097
Total resources.....	349,168,518	356,686,615	307,953,908
F. R. notes in circulation.....	125,733,775	122,596,670	111,921,110
Member banks' reserve deposits.....	175,317,379	190,783,352	153,527,907

The discount rate of the Federal Reserve Bank of Kansas City, on all classes of paper and maturities, remains unchanged at 2 per cent.

### Federal Reserve Bank Clearings

Check collections through the Federal Reserve Bank of Kansas City and branches at Omaha, Denver, and Oklahoma City were 8.2 per cent larger, both as to the number of items handled and as to amount, in July than in June. Collections

were also larger than a year ago, the number of items handled increasing 15 per cent and the dollar volume showing a gain of 7.7 per cent.

Check collections through this bank and branches:

	ITEMS		AMOUNT	
	1935	1934	1935	1934
July.....	5,467,895	4,756,091	\$ 902,039,000	\$ 837,174,000
June.....	5,054,843	4,808,092	833,638,000	757,828,000
Seven months..	36,553,236	35,850,526	5,732,701,000	5,197,833,000

### Bank Debits

Clearing houses in twenty-nine cities of the Tenth District reported debits by banks to individual accounts during the four weeks' period ended July 31 amounted to \$918,458,000. This total represents a decrease of \$23,186,000, or 2.5 per cent, from that of the preceding four weeks and an increase of \$8,888,000, or 1 per cent, over the like period in 1934. The gain over the corresponding period of the preceding year is the smallest reported since last July, twelve of the twenty-nine cities recording losses.

#### PAYMENTS BY CHECK

	FOUR WEEKS ENDED		Per cent Change
	July 31, 1935	Aug. 1, 1934	
Albuquerque, N. M.....	\$ 9,427,000	\$ 8,230,000	14.5
Atchison, Kans.....	3,313,000	3,335,000	— 0.7
Bartlesville, Okla.....	21,081,000	23,265,000	— 9.4
Casper, Wyo.....	4,104,000	3,862,000	3.7
Cheyenne, Wyo.....	6,773,000	6,278,000	7.9
Colorado Springs, Colo.....	10,996,000	11,121,000	— 1.1
Denver, Colo.....	122,174,000	109,749,000	11.3
Enid, Okla.....	14,035,000	13,712,000	2.4
Fremont, Nebr.....	2,013,000	2,274,000	— 11.5
Grand Junction, Colo.....	2,088,000	1,556,000	34.2
Guthrie, Okla.....	1,560,000	1,246,000	25.2
Hutchinson, Kans.....	16,606,000	17,727,000	— 6.3
Independence, Kans.....	2,162,000	4,401,000	— 50.9
Joplin, Mo.....	7,130,000	6,658,000	7.1
Kansas City, Kans.....	10,543,000	10,235,000	3.0
Kansas City, Mo.....	252,564,000	271,963,000	— 7.1
Lawrence, Kans.....	2,783,000	2,940,000	— 5.3
Lincoln, Nebr.....	22,828,000	22,022,000	3.7
Muskogee, Okla.....	6,453,000	6,081,000	6.1
Oklahoma City, Okla.....	75,218,000	66,288,000	13.5
Okmulgee, Okla.....	2,290,000	2,416,000	— 5.2
Omaha, Nebr.....	118,478,000	122,706,000	— 3.4
Pittsburg, Kans.....	2,836,000	2,745,000	3.3
Pueblo, Colo.....	11,370,000	11,748,000	— 3.2
Salina, Kans.....	9,229,000	7,925,000	16.5
St. Joseph, Mo.....	22,816,000	27,301,000	— 16.4
Topeka, Kans.....	15,796,000	15,342,000	3.0
Tulsa, Okla.....	95,011,000	87,877,000	8.1
Wichita, Kans.....	46,781,000	38,567,000	21.3
Total 29 cities, 4 weeks.....	\$ 918,458,000	\$ 909,570,000	1.0
Total 29 cities, 30 weeks.....	6,664,353,000	6,104,602,000	9.2
U. S. 270 cities, 4 weeks.....	30,507,113,000	27,989,520,000	9.0
U. S. 270 cities, 30 weeks.....	228,427,644,000	212,276,743,000	7.6

### Savings

Slight increases in the number of savings accounts and the amount of savings deposits during July were disclosed by the reports of forty-five selected banks in leading cities of the District. On August 1 savings deposits in these banks were 9.2 per cent larger and the number of depositors 2.9 per cent larger than on August 1, 1934.

Savings accounts and savings deposits, as reported by the forty-five banks as of August 1, with comparisons:

	Savings Accounts	Savings Deposits
August 1, 1935.....	405,000	\$124,586,739
July 1, 1935.....	402,987	124,322,714
August 1, 1934.....	393,715	114,111,759



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

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED		
	July 1935 compared to	Year 1935 compared to	July 31, 1935 compared to	July 31, 1934	July		Year		July 31, 1935 compared to		July 1935 compared to		
	July 1934	Year 1934	June 30, 1935	July 31, 1934	1935	1934	1935	1934	June 30, 1935	July 31, 1934	June 1935	July 1934	
Kansas City.....	4	31.6	10.7	- 2.0	-23.7	.25	.15	1.95	1.46	-12.1	13.4	- 7.9	9.6
Denver.....	4	12.4	8.1	- 4.7	0.5	.27	.24	2.01	1.91	-10.5	9.1	6.5	20.0
Oklahoma City....	3	14.7	- 0.2	- 8.7	- 4.5	.30	.25	2.37	2.35	- 7.1	- 2.6	- 2.0	- 0.7
Tulsa.....	3	16.7	3.0	- 5.2	- 1.6	.32	.27	2.42	2.34	- 7.1	23.4	- 1.2	13.9
Wichita.....	3	16.9	13.4	- 9.8	5.3	.20	.18	1.88	1.77	-10.1	7.1	- 5.5	10.0
Other cities.....	15	14.7	2.0	-13.1	- 0.1	.21	.18	1.66	1.65	- 6.4	4.0	- 4.1	11.6
Total.....	32	17.5	6.0	- 7.1	- 7.1	.25	.20	1.96	1.78	- 9.0	7.3	- 1.2	12.2

NOTE: Percentage of collections in July on open accounts June 30, all stores reporting 43.3. Collections same month last year 40.5.

Failures

The July record of business failures in the Tenth District and the United States, as reported by Dun and Bradstreet, Incorporated, marked a continuation of the favorable showing recorded for recent months, defaults, both in number and amount of liabilities involved, establishing or approximating sixteen-year lows.

The July and seven months' record of defaults and the amount of indebtedness involved with comparisons:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
July 1935.....	35	\$ 527,538	931	\$ 20,446,761
June 1935.....	48	216,195	961	20,463,097
July 1934.....	37	480,641	912	19,325,517
Seven months 1935.....	273	2,583,195	7,199	130,727,602
Seven months 1934.....	290	4,080,385	7,489	171,119,277

Trade

RETAIL: Sales of merchandise at thirty-two department stores located in cities throughout the Tenth District decreased 18.5 per cent in dollar volume in July from the preceding month, or somewhat less than the usual seasonal amount. July sales were, however, 17.5 per cent larger than for July, 1934, and about 26 per cent higher than in 1933. The improvement over a year ago was the best reported so far this year and was general, all cities reporting substantial gains. High temperatures, a belated movement of summer merchandise, and more favorable crop prospects than existed a year ago encouraged trade.

Collections, unchanged from June to July, averaged 43.3 per cent of amounts receivable at the close of the previous month on open accounts and 14.8 per cent on installment accounts. The collection percentage for July, 1934, on open accounts was 40.5 per cent and on installment accounts 14.1 per cent of amounts outstanding.

Merchandise stocks as of July 31, 1935, were 7.1 per cent smaller than either one month or one year earlier, the index for the District being down to 55.8 per cent of the 1925 monthly average and is now lower than at any time in recent years.

The Bureau of Foreign and Domestic Commerce reported July sales of general merchandise in small towns and rural areas throughout the United States were 28.5 per cent higher than for July, 1934, and 36 per cent above July, 1933. Chain grocery store sales, on a daily average dollar volume basis,

were about 4 per cent better than a year ago and 3 per cent better than two years ago. For the first seven months of the year general merchandise sales increased 23.5 per cent and grocery chain store sales increased 4 per cent over sales for the corresponding period of 1934.

WHOLESALE: Trade at Tenth District wholesale establishments in July was the best for the month since 1931, the dollar volume of sales of five representative lines combined increasing 6.4 per cent as compared to June and 16.2 per cent as compared to July, 1934. Not since 1929 have July sales exceeded those of June, substantial gains in sales of dry goods, groceries, and drugs offsetting seasonal declines in sales of hardware and furniture. All lines shared in the improvement over a year ago, sales of dry goods increasing 0.3 per cent, groceries 6.4, hardware 33.1, furniture 50.5, and drugs 15.9 per cent. Comparisons of the first seven months this year with the like period last year show sales of dry goods and hardware declined 13.6 and 2.3 per cent, respectively, whereas those of groceries, furniture, and drugs increased by 1.1, 11.4, and 0.1 per cent.

Inventories of groceries, furniture, and drugs as of July 31, 1935, were larger and of hardware smaller than one month or one year earlier. Wholesalers of dry goods increased their stocks 12.4 per cent between June 30 and July 31 but inventories as of the latter date were 7.7 per cent lighter than on July 31, 1934.

Lumber

Reports of 155 retail lumber yards, located in cities and towns throughout the District, show sales of lumber in board feet and of all materials in dollars in July were substantially larger than in either the preceding month or the same month last year. Lumber stocks were slightly larger on July 31 than on June 30 this year or July 31, 1934. Collections improved in July, averaging 43.9 per cent of amounts receivable June 30 as compared to collection percentages of 34.9 per cent for June and 35.3 per cent for July, 1934.

A summary of the reports follows:

	July 1935 compared to	
	June 1935	July 1934
Sales of lumber, board feet.....	38.5	80.5
Sales of all materials, dollars.....	14.5	55.4
Stocks of lumber, board feet.....	1.8	0.7
Outstandings, end of month.....	3.5	22.6

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

	Stores Reporting	SALES		OUTSTANDING		AMOUNTS COLLECTED		STOCKS	
		July 1935 compared to		July 31, 1935 compared to		July 1935 compared to		July 31, 1935 compared to	
		June 1935	July 1934	June 30, 1935	July 31, 1934	June 1935	July 1934	June 30, 1935	July 31, 1934
Dry goods.....	5	17.5	0.3	5.1	- 8.2	5.1	3.0	12.4	- 7.7
Groceries.....	4	16.5	6.4	13.5	8.0	0.4	6.4	4.5	13.5
Hardware.....	8	- 1.6	33.1	-14.2	-14.6	10.3	8.7	- 0.4	- 9.8
Furniture.....	4	-34.2	50.5	-10.6	8.0	- 9.4	47.2	5.9	0.1
Drugs.....	7	13.2	15.9	2.3	4.6	13.4	18.0	3.1	12.0

## Building

A revival in residential building with July expenditures in the District for that type of construction exceeding any previous month since August, 1931, or any July since 1930, and expenditures throughout the United States establishing a new monthly record since October, 1931, is evidenced by the reports of the F. W. Dodge Corporation. The stimulated activity is attributable in part to the availability of long-time amortized mortgages bearing favorable interest rates with mortgagees partially insured against loss by the United States Government. Increased employment and a reversal of the "doubling up" process have reduced vacancy percentages in most communities.

Other types of construction, however, fell off sharply in July and total building expenditures in the Tenth District declined 39.4 per cent as compared to June but were 18.3 per cent larger than a year ago. Total awards in the United States were the largest since March, 1934, 33 per cent above a year ago, and the largest for the month in four years.

The F. W. Dodge report of total and residential contracts awarded in the District and the United States:

TOTAL BUILDING CONTRACTS AWARDED				
	TENTH DISTRICT		UNITED STATES	
	1935	1934	1935	1934
July.....	\$ 4,372,238	\$ 3,695,353	\$159,249,900	\$119,698,800
June.....	7,209,225	3,854,836	148,005,200	127,131,200
Seven months	40,977,652	38,138,428	856,159,200	975,309,300
RESIDENTIAL CONTRACTS AWARDED				
	TENTH DISTRICT		UNITED STATES	
	1935	1934	1935	1934
July.....	\$ 2,138,111	\$ 445,969	\$ 48,371,800	\$ 19,879,100
June.....	1,594,985	529,486	49,832,600	26,580,200
Seven months	9,431,540	5,577,420	256,621,100	151,783,300

Reports from seventeen Tenth District cities disclose expenditures for new buildings, alterations, and repairs, for which permits were issued during the month of July, exceeded all prior months beginning with August, 1931. These cities issued fewer permits in July than in the preceding month but the July total of permits issued and estimated construction costs were the highest for the month in five years.

### BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1935	1934	1935	1934
Albuquerque, N. M.....	66	30	\$ 91,976	\$ 44,604
Cheyenne, Wyo.....	42	28	46,310	7,645
Colorado Springs, Colo.....	52	16	31,479	415,479
Denver, Colo.....	347	237	420,214	204,602
Joplin, Mo.....	18	10	18,250	4,600
Kansas City, Kans.....	36	35	1,704,238	63,625
Kansas City, Mo.....	231	220	609,400	285,500
Lincoln, Nebr.....	143	79	259,262	123,347
Oklahoma City, Okla.....	154	86	263,010	228,806
Omaha, Nebr.....	118	84	137,352	65,470
Pueblo, Colo.....	37	39	10,294	49,231
Salina, Kans.....	14	9	7,510	4,740
Shawnee, Okla.....	10	9	9,325	10,269
St. Joseph, Mo.....	27	10	22,360	6,680
Topeka, Kans.....	55	25	116,700	20,350
Tulsa, Okla.....	107	56	171,986	46,167
Wichita, Kans.....	190	54	119,576	67,765
Total 17 cities, July.....	1,647	1,027	\$ 4,039,233	\$ 1,648,880
Seven months.....	9,781	7,131	13,408,953	7,981,049

## Life Insurance

According to reports to the Life Insurance Sales Research Bureau, the amount of new paid-for life insurance written in the seven states of the District totaled \$34,226,000 for the month of July, \$587,000 less than in June and \$1,816,000, or 5 per cent, less than in July, 1934. Sales in Kansas, New Mexico, and Wyoming exceeded the totals for June this year or July

last year but sales in Colorado, Missouri, and Oklahoma were less than in either of the two periods of comparison. Nebraska reported a slight increase for the month and a decrease for the year.

Sales of new paid-for ordinary life insurance, by states, as reported by companies representing 90 per cent of the total legal reserve life insurance outstanding in the United States on January 1, 1934:

	July 1935	June 1935	July 1934
Colorado.....	\$ 4,274,000	\$ 4,384,000	\$ 4,381,000
Kansas.....	5,550,000	4,686,000	5,062,000
Missouri.....	13,929,000	14,641,000	16,244,000
Nebraska.....	4,029,000	4,048,000	4,028,000
New Mexico.....	691,000	637,000	648,000
Oklahoma.....	4,841,000	5,627,000	4,990,000
Wyoming.....	912,000	790,000	689,000
Seven states.....	\$ 34,226,000	\$ 34,813,000	\$ 36,042,000
United States.....	483,491,000	490,268,000	498,097,000

## Flour Milling

A steady volume of well scattered small orders for immediate shipment enabled flour mills in the Tenth District to operate at 56.5 per cent of full-time capacity in July as compared to 58.6 per cent in June and 55.9 per cent in July last year. Production, as estimated from the weekly reports of southwestern mills to the Northwestern Miller, totaled 1,829,391 barrels, 73,330 barrels more than in June and 103,550 barrels more than in July, 1934.

The estimated production figures for the principal milling centers are shown in the following table:

	July 1935	June 1935	July 1934
	Barrels	Barrels	Barrels
Atchison.....	104,855	111,006	93,057
Kansas City.....	487,748	488,360	461,114
Salina.....	138,271	138,076	150,797
Wichita.....	171,511	154,618	109,473
Outside.....	927,006	864,001	911,400
Total.....	1,829,391	1,756,061	1,725,841
*United States.....	4,818,990	4,773,545	4,780,134

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

Buyers were indifferent to adverse crop reports until flour prices had advanced almost \$1 per barrel; then, having "missed the boat," continued a determined waiting policy for a break in the market before making commitments. As a consequence, sales in the southwest during July were mostly of small lots for immediate shipment. Seldom have these mills booked less flour during the initial month of the new crop season, and quick shipment orders comprised an unusually large percentage of the new business. Shipping directions were good considering the small amount of flour on mill books. A rising wheat market, higher premiums, and lower millfeed prices necessitated the steady advance in flour prices.

The demand for millfeeds was poor at the opening of the month but improved as prices weakened, with shorts in better favor than bran. Production was light.

## Grain Marketing

A lagging movement of new crop wheat to market, attributable in part to the lateness of harvest and to the tendency of producers to hold their grain for better prices, carried receipts for the initial month of the new crop year at five Tenth District markets to the lowest volume, with one exception, 1933, in ten years. The movement, although seasonally the heaviest for any month since last July, was 12.8 per cent smaller than a year ago and 53 per cent below the ten-year average for the month. Oats were also in light supply, receipts establishing a low record for the month despite a fairly good crop.



The demand for corn was adversely affected by improved pastures and a shortage of live stock on feed, and offerings at the five markets were the lightest for any month since July, 1932, and 69 per cent below normal. Iowa continued to furnish the bulk of arrivals. Marketings of rye, barley, and kafir were substantially below a year ago and the ten-year average.

Receipts of grain at the five markets during July with comparisons:

	Wheat Bushels	Corn Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Kafir Bushels
Hutchinson.....	4,301,100	1,250				9,100
Kansas City.....	11,057,600	880,500	100,000	24,000	9,600	77,000
Omaha.....	3,444,183	252,000	90,000	5,600	3,200	
St. Joseph.....	1,289,600	108,000	320,000			1,500
Wichita.....	5,253,000	5,200	9,000			1,300
July 1935.....	25,345,483	1,246,950	519,000	29,600	12,800	88,900
June 1935.....	3,987,563	2,899,600	224,000	9,000	9,300	70,600
July 1934.....	29,080,550	6,491,250	609,000	68,200	38,550	116,100
7 Mos. 1935.....	43,684,189	16,432,010	3,498,100	122,400	93,450	446,500
7 Mos. 1934.....	75,891,850	21,082,700	3,438,000	313,000	314,100	1,097,200

Disappointing threshing returns for winter wheat and the extension of rust damage in the spring wheat areas stimulated both cash and speculative demand and prices advanced sharply during July, with mills and elevators good buyers. Quality being inferior to that of recent years, test weights running light, and protein content low, premium margins widened. Prices of all other grains but corn, which was steady to strong, broke sharply, oats, rye, barley, and kafir closing well under a year ago.

Cash grain prices at Kansas City as of the dates indicated:

	Aug. 15 1935	July 31 1935	June 29 1935	Aug. 15 1934	July 31 1934	July 31 1933
No. 1 dark wheat, bu.....	\$.97½	\$1.03	\$.88½	\$1.03	\$.1.02	\$.86¾
No. 2 mixed corn, bu.....	.81½	.86½	.84½	.76½	.70¾	.43½
No. 2 white oats, bu.....	.29½	.34½	.41½	.50½	.47½	.32
No. 2 rye, bu.....	.49	.51	.59	.94	.84½	.67
No. 2 barley, bu.....	.47	.49	.54	.82	.68	.44
No. 2 kafir, cwt.....	1.08	1.30	1.80	1.68	1.39	1.08

**STOCKS OF WHEAT:** Stocks of old wheat in interior mills, elevators, and warehouses on July 1, 1935, were estimated by the United States Department of Agriculture at 31,464,000 bushels this year, 48,150,000 bushels last year, and 38,565,000 bushels as the average for the years 1928 to 1932. Total carry-over in all positions as of July 1 is placed at 154,041,000 bushels in 1935 against 291,989,000 bushels in 1934 and 399,862,000 bushels in 1933.

Stocks of wheat, in all positions on July 1, the past three years:

	July 1, 1935	July 1, 1934	July 1, 1933
On farms.....	41,926,000	60,323,000	82,772,000
Country mills and elevators.....	31,464,000	48,150,000	61,524,000
Terminal mills and elevators.....	58,700,000	102,968,000	131,854,000
Visible supply.....	21,951,000	80,548,000	123,712,000
Total carryover.....	154,041,000	291,989,000	399,862,000

### Crops

On the basis of August 1 estimates of the United States Department of Agriculture, this District will produce in 1935 slightly less wheat but approximately six times the rye, five times the corn and dry beans, four times the grain sorghums, three times the oats, spring wheat, barley, and broomcorn, twice the hay and white potatoes, and considerably larger quantities of all other crops than during the extremely poor crop year of 1934. Compared to the five-year, 1928 to 1932, average, however, the District will produce less than half the usual amount of wheat and two-thirds the usual amount of corn. Above normal yields of oats, rye, tame and wild hay, dry beans, grain sorghums, broomcorn, apples, peaches, and pears are in prospect, whereas somewhat below normal yields of barley, flaxseed, white potatoes, sweet potatoes, sugar beets, and tobacco are forecast.

Production of principal crops in the Tenth District and the United States, as forecast by the Department of Agriculture, is herewith compared to the final yields for 1934. (Production in thousands of units, 000 omitted):

	TENTH DISTRICT Forecast Production		UNITED STATES Forecast Production	
	Aug. 1, 1935	1934	Aug. 1, 1935	1934
Winter wheat, bu.....	136,229	140,671	431,709	405,552
Spring wheat, bu.....	10,619	3,542	175,969	91,377
All wheat, bu.....	146,848	144,213	607,678	496,929
Corn, bu.....	312,980	53,194	2,272,147	1,377,126
Oats, bu.....	158,980	50,782	1,187,000	525,889
Tame hay, tons.....	9,173	4,994	75,212	52,269
White potatoes, bu.....	33,490	14,816	376,957	385,421
Cotton, bales.....	686	263	11,798	9,636
Tobacco, lbs.....	3,167	2,172	1,221,630	1,045,660
*Grain sorghums, bu.....	56,535	13,988	147,520	34,542
*Broomcorn, tons.....	45	16	67	31
*Sugar beets, short tons.....	3,031	2,549	8,885	7,481
*Dry beans, 100 lb. bags....	3,067	663	13,631	10,369
*Apples, bu.....	9,075	5,496	169,403	120,670
*Peaches, bu.....	3,866	2,558	52,196	45,665
*Pears, bu.....	1,316	990	21,212	23,490
*Grapes, tons.....	21	15	2,288	1,931

\*Totals for the seven states whose areas or parts thereof comprise the Tenth District.

Winter wheat estimates were revised downward from July 1 to August 1 as disappointing threshing returns disclosed the fuller effects of black stem rust and wet weather damage. Quality varied widely, most fields testing poorly and much of the grain being shriveled. Production for the District, the lowest since 1917, is now estimated at 136,229,000 bushels, 16,535,000 less than on July 1 and 4,442,000 less than the amount harvested last year. Commercially the wheat crop in southwestern Kansas was a failure but light yields were harvested for seed. Indicated production of all wheat in the United States this year is 607,678,000 bushels which is somewhat below normal domestic requirements. Black rust reduced spring wheat prospects 59,682,000 bushels to a forecast of 175,969,000 bushels and winter wheat prospects declined 26,382,000 bushels, ultimate returns being placed at 431,709,000 bushels.

Corn prospects for the District were unchanged from July 1 to August 1, losses in Missouri, Kansas, Colorado, and New Mexico being offset by gains in Nebraska and Oklahoma. Tenth District production is estimated at 312,980,000 bushels this year as against only 53,194,000 bushels harvested last year. Since August 1, however, the crop has deteriorated badly as a result of uninterrupted high temperatures and little or no rain. Mid-August reports from Kansas are to the effect that 50 to 75 per cent of the crop in the eastern part of that state is now damaged beyond the point where it can produce even a fair crop and that in the western half is even more seriously impaired. Much of the corn in Nebraska is reported irreparably damaged, particularly in the south central and south-western counties. Local rains improved conditions in the western third and northern half of the state.

Hay crops, both tame and wild, have been the best in several years in all states of the District and farmers are assured of ample supplies, enabling them to conserve their cash and hold live stock off the market. The District tame hay crop is estimated at 9,173,000 tons, whereas last year only 4,994,000 tons were harvested. Cutting of the second crop of alfalfa is nearing completion but the third crop has made poor growth and will be short. Grain sorghums, the acreage of which is unusually large, withstood the heat until the second week of August and then commenced to deteriorate rapidly.

The weather has been favorable for cotton and the crop has made good progress, plants setting squares and some blooming,

but rains would be beneficial. Abandonment has been very light to date. Tenth District production is forecast at 686,000 bales this year, a gain of 423,000 bales over 1934. Sugar beets have also done well and timely rains in the principal producing areas improved the outlook for dry beans. Broomcorn acreage has shown a marked expansion and harvest has begun in parts of Oklahoma. Summer plowing is delayed by the hard, dry soil and excessive heat.

The outlook for fruit is fair to good. Peaches and early varieties of apples are moving to market from Oklahoma and the Ozark region and the movement of a bumper crop of peaches of excellent quality from the Grand Valley in Colorado will commence about the first of September. A large Ozark grape crop is in prospect with shipments commencing and wineries preparing to begin operations.

### Live Stock

Receipts of all classes of live stock at the six principal markets of the Tenth District were somewhat heavier during July than in June but considerably lighter than in July, 1934, when drouth conditions compelled heavy marketings, the forced movement of cattle and hogs being notably large. Compared to July, 1934, cattle receipts were down 59.9 per cent, and with the exception of 1932, smaller than in any like month in seventeen years of record. Calf receipts, although 70.4 per cent lighter than a year ago, were otherwise larger than in any July since 1928 but 22 per cent below the ten-year average volume. The most conspicuous loss was in swine numbers, which, with the exception of June this year, were smaller than in any month of record, 69.8 per cent less than a year ago and 63 per cent below normal for the season. Sheep and lambs exceeded the normal supply by 8.7 per cent but July numbers fell 9.6 per cent short of a year ago and were the smallest in three years but otherwise the largest since 1919.

Scarcity boosted hog prices \$1.25 to \$1.50 per hundredweight in July to a top of \$10.75. The advance continued well into August, butcherweights reaching \$12 at the Kansas City market on August 15 which was the best price since July, 1929, and was exclusive of the processing tax of \$2.25 per hundred pounds. Limited consumer demand prevented an advance in cattle and sheep values. Cattle prices broke as much as 50 cents to \$1.00 at the low-time but recovered half the loss toward the close. The Kansas City top for beef steers was \$12 per hundredweight, or \$3 better than a year ago, and other classes of cattle sold largely \$2 to \$3 higher. Lamb prices fluctuated narrowly throughout the month, closing prices showing a small net gain. Native lambs sold up to \$8.60 and early shipments of western lambs to \$8.40 or about 60 cents above last year's top.

The Division of Crop and Live Stock Estimates placed the number of cattle on feed in the eleven corn belt states on August 1 this year at 28.5 per cent less than on August 1, 1934, the reduction being principally in the states west of the Mississippi River. Kansas and Missouri had 55 per cent and Nebraska 50

per cent as many cattle on feed August 1 this year as last. A survey of anticipated purchases the balance of the year disclosed feeders expected to buy a much larger number of cattle this year than they did last, particularly those located in the western corn belt states.

**RANGES AND PASTURES:** Cattle and sheep on western ranges are reported in very good condition. Range feed supplies are good except in southeastern Colorado, western Kansas, eastern and southern New Mexico, and parts of the Oklahoma and Texas panhandle where they are becoming very dry from the heat and lack of moisture. Pastures and ranges generally need rain to insure fair to good grazing in the future. Hay and feed crops promise ample supplies for winter needs except in the limited dry areas from which some shipments of live stock may be forced. The supply of stock water is generally sufficient although getting short in some areas. Calves and lambs have made good growth and prospects are for well finished grass fat cattle and lambs and a limited number of feeder lambs. Slaughter supplies of lambs the remainder of the marketing year up to April 1, 1936, are expected to be smaller than for several years. The retention of a larger than usual number of heifer calves and ewe lambs to restock herds and flocks, depleted by last summer's drouth, is anticipated. The Blue Stem pastures of Kansas and the Osage pastures of Oklahoma are holding up quite well but are in need of rain.

**WOOL:** Preliminary estimates of the United States Department of Agriculture place the amount of wool shorn or to be shorn in the United States in 1935 at 343,889,000 pounds, or 4 per cent less than was shorn in 1934 or the average for the five years, 1930 to 1934 inclusive.

### Meat Packing

In keeping with enhanced supplies, the slaughter of cattle and calves and sheep and lambs at the six principal Tenth District market centers increased in July but packers' purchases of hogs, direct shipments included, fell off 3.4 per cent despite an increase in marketings. Comparisons with the forced liquidations of July, 1934, disclose a decline in cattle slaughter of 51.2 per cent, calf slaughter of 67 per cent, and hog slaughter of 71.7 per cent, with butcherings this year being, respectively, 18, 15, and 63 per cent below the ten-year average for July. The slaughter of sheep and lambs, although showing a slight gain over July last year, was 10 per cent under the average.

Government drouth relief purchases excluded from last year's totals, the July Federally inspected slaughter of commercial cattle in the United States was off 7.9 per cent and of calves 11.7 per cent as compared with a year ago, cattle numbers equaling, and calf numbers exceeding by 17 per cent the ten-year average. Hog slaughter, the smallest for any month since September, 1911, or any July since 1902, declined 48.5 per cent and fell 46 per cent short of the average of the past ten years. Lamb slaughter was 19.4 per cent larger than in July, 1934, and 24 per cent above normal.

### STOCK 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.....	108,825	22,789	*82,851	77,256	25,852	4,146	1,929	11,539	57,776	20,477	*72,806	64,299
Omaha.....	78,973	6,134	97,658	125,341	6,700	406	1,376	18,306	54,165	5,728	69,844	105,777
St. Joseph.....	28,338	7,893	46,029	88,246	2,048	296	1,642	2,353	22,570	6,383	36,230	84,942
Denver.....	18,833	3,807	22,956	258,919	1,868	262	995	14,761	13,836	3,481	13,414	22,945
Oklahoma City.....	43,221	9,632	13,712	13,345	-----	-----	-----	-----	25,443	6,365	11,640	10,963
Wichita.....	20,607	3,891	9,822	8,694	-----	-----	-----	-----	10,764	3,839	8,774	6,330
July 1935.....	298,797	54,146	273,028	571,801	36,468	5,110	5,942	46,959	184,554	46,273	212,708	295,256
June 1935.....	238,912	44,482	257,434	532,265	33,858	6,515	6,108	28,396	146,015	36,298	220,196	282,995
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
Seven months 1935..	2,170,786	418,951	2,458,570	4,089,640	422,543	74,971	42,745	294,758	1,168,057	323,261	2,020,405	2,265,286
Seven months 1934..	2,921,648	517,036	5,739,130	4,316,491	463,171	57,463	61,594	379,845	1,691,197	421,743	4,896,252	2,374,086

\*Includes 47,271 hogs shipped direct to packers' yards.



The Federally inspected slaughter figures as compiled by the Bureau of Animal Industry:

	Cattle	Calves	Hogs	Sheep
July 1935.....	744,900	464,091	1,712,311	1,545,804
June 1935.....	669,253	439,134	1,828,279	1,420,679
July 1934.....	808,837	525,309	3,324,440	1,294,237
Seven months 1935.....	4,983,491	3,256,016	15,505,091	9,889,702
Seven months 1934.....	5,588,146	3,634,353	26,580,295	8,769,939

NOTE: The slaughter of cattle and calves for Government relief purposes excluded.

### Cold Storage Holdings

Contradicting last year's movement, United States cold storage holdings of beef, pork, lamb and mutton, poultry, miscellaneous meats, and lard declined in July. The out-of-storage movement of beef, miscellaneous meats, and lard was a reversal of normal trends and net withdrawals of pork and poultry were unusually heavy for the season. On August 1 inventories of pork were 42.5 per cent and of lard 67.2 per cent smaller than one year earlier and 46.5 and 56.5 per cent, respectively, below the August 1 five-year average. Stocks of beef, down 19.3 per cent as compared to a year ago, were 5.3 per cent above the average but holdings of miscellaneous meats were 31.9 per cent below the average. Stocks of poultry and mutton are normal for the season.

Net accumulations of creamery butter, amounting to 53,072,000 pounds in July this year compared to 38,600,000 pounds last year, and a five-year average for the month of 34,724,000 pounds, pushed holdings as of August 1 to 149,464,000 pounds, 18.6 per cent above normal and within 3,000,000 pounds of the August 1 record holdings established in 1929 and 1933. Restricted consumption was largely responsible for the heavy in-movement. Holdings of cheese and cased eggs also increased somewhat more than usual but stocks of the former are 18.3 per cent and of the latter 11.4 per cent below a year ago and 3.4 per cent and 12.9 per cent, respectively, short of the five-year average.

August 1 United States cold storage holdings, with comparisons, as reported by the Bureau of Agricultural Economics:

	*Aug. 1 1935	July 1 1935	Aug. 1 1934	Aug. 1 5-Yr. Av.
Beef, lbs.....	49,663	55,653	61,545	47,147
Pork, lbs.....	369,792	445,307	643,566	691,639
Lamb and mutton, lbs.....	2,126	2,376	1,518	2,098
Poultry, lbs.....	41,177	47,051	44,904	40,259
**Turkeys, lbs.....	11,654	13,851	6,648	5,400
Miscellaneous meats, lbs.....	49,595	52,697	78,266	72,803
Lard, lbs.....	68,815	84,680	209,497	158,131
Eggs, cases.....	7,940	7,595	8,961	9,120
Eggs, frozen (case equivalent).....	3,321	3,084	3,473	3,196
Butter, creamery, lbs.....	149,464	96,392	108,748	126,022
Cheese, all varieties, lbs.....	94,619	75,291	115,842	97,930

\*Subject to revision. \*\*Included in Poultry. (000 omitted).  
NOTE: Meats held for the account of the Federal Emergency Relief Administration are not included in the above.

### Cement

Cement mills in the District produced 764,000 barrels and shipped 802,000 barrels of finished Portland cement during July. Production was 10.9 per cent smaller than a year ago and considerably below normal, whereas shipments were the heaviest for the season since 1931. Stocks were reduced 6.4 per cent for the month but on July 31 were 19 per cent larger than one year earlier and somewhat larger than on any like date in recent years.

Production, shipments, and stocks of Portland cement as reported by the United States Bureau of Mines, Department of Commerce:

	TENTH DISTRICT		UNITED STATES	
	Production	Shipments	Production	Shipments
July 1935.....	764	802	2,353	8,021
June 1935.....	987	697	2,515	8,725
July 1934.....	857	687	1,980	8,144
				7,813
				7,632
				23,291
				23,083
				21,852

### Petroleum

Crude oil production in the five oil producing states of the District for July was estimated from the weekly reports of the American Petroleum Institute at 23,551,000 barrels, or a daily average of 759,700 barrels. Compared to the June report of the United States Bureau of Mines gross production showed a gain of 1.8 per cent for the month but daily average production was off 11,500 barrels or 1.5 per cent. Production was 3.9 per cent larger than in July, 1934.

The gross production figures by states:

	*July 1935 Barrels	June 1935 Barrels	July 1934 Barrels
Oklahoma.....	15,918,000	15,528,000	15,609,000
Kansas.....	4,600,000	4,607,000	4,210,000
Wyoming.....	1,242,000	1,206,000	1,277,000
Colorado.....	129,000	115,000	109,000
New Mexico.....	1,662,000	1,680,000	1,460,000
Total five states.....	23,551,000	23,136,000	22,665,000
Total United States.....	83,922,000	82,338,000	81,548,000

\*Estimated, American Petroleum Institute.

To maintain stability in the petroleum industry and forestall a burdensome over-production of crude oil late in the summer when the consumption of motor fuels begins to decline, the states of Oklahoma, Kansas, Texas, and California reduced their daily average allowables for August. The daily average allowables in Oklahoma were fixed at 491,194 barrels, Kansas 139,858 barrels, and Texas 1,003,590 barrels.

Posted price schedules for mid-continent crude oil, which have been in effect for almost two years, range from 76 cents per barrel for low gravity oil to \$1.08 per barrel for that testing 40 degrees and above.

Field operations continued unusually active as companies attempted to increase their known reserves. Old pools were extended and several new discoveries were reported but there were none of major importance.

### Bituminous Coal

Production of bituminous coal at mines in the six coal producing states of the District, as estimated from the weekly reports of the United States Bureau of Mines, declined contrary to seasonal trends in July, output being 22.2 per cent lighter than in the preceding month. The July tonnage exceeded that of July, 1934, by 4.7 per cent and cumulative output for the calendar year to August 1, estimated at 10,273,000 tons, increased 18.1 per cent over the like period last year.

The July tonnage as estimated by states with comparisons:

	*July 1935 Tons	June 1935 Tons	July 1934 Tons
Colorado.....	236,000	304,000	213,000
Kansas and Missouri.....	293,000	430,000	329,000
New Mexico.....	88,000	102,000	84,000
Oklahoma.....	61,000	60,000	61,000
Wyoming.....	317,000	383,000	263,000
Total six states.....	995,000	1,279,000	950,000
Total United States.....	22,252,000	30,067,000	24,869,000

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

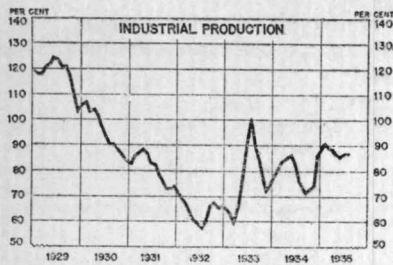
### Zinc and Lead

Shipments of zinc ore and lead ore from Tri-State mines and tailing mills during the five weeks' period ended August 3 were considerably larger than for either the five weeks' period ended June 29 this year, when a strike of mine, mill, and smelter workers restricted operations, or in the like period last year when most mines either were closed down voluntarily in an attempt to reduce output or were forced to do so by a shortage of milling water.

Ore prices have been steady to strong, lead scoring two \$1 per ton advances during the five weeks' period to close at \$43 per ton, or \$5.50 per ton above a year ago, and zinc ore moved up to \$29 per ton, \$1 higher than one month or one year earlier.

## Business Conditions in the United States

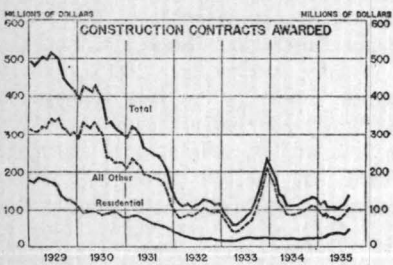
By the Federal Reserve Board



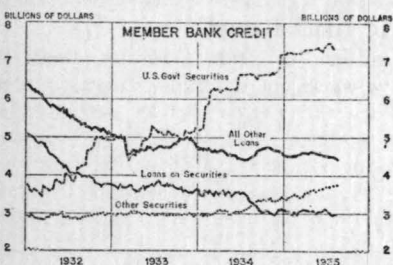
Index of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure: July, 86.



Index of factory employment, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure: July, 80.4.



Three month moving averages of F. W. Dodge data for 37 eastern states, adjusted for seasonal variation. Latest figure based on data for May and June and estimate for July: total, 148.8; residential, 45.9; all other, 102.9.



Wednesday figures for reporting member banks in 91 leading cities. Latest figures are for August 14.

Factory employment and output were maintained in July at the June level, though usually there is a considerable decline at this season. Activity at mines showed a substantial decrease, reflecting a sharp reduction in output of coal.

**PRODUCTION AND EMPLOYMENT:** The Federal Reserve Board's seasonally adjusted index of manufactures showed an increase in July, while the index of mineral production showed a marked decline, with the consequence that the index of industrial production remained unchanged at 86 per cent of the 1923-25 average. For the first seven months of the year industrial output was six per cent larger than a year ago. Activity at steel mills, which had declined during June, advanced considerably during July and the first three weeks of August and there was also a substantial increase in the output of lumber. Automobile production showed a decrease from the high level prevailing earlier in the year, reflecting in part seasonal developments. Output of textiles increased somewhat in July, owing chiefly to increased activity at silk mills. In the woolen industry the recent high rate of activity continued, while at cotton mills daily average output declined by about the usual seasonal amount. Meat packing remained at an unusually low level. At mines, output of bituminous coal decreased sharply in July, following an advance in the preceding month, and there was also a sharp reduction in output of anthracite.

Factory employment, which usually declines at this season, showed little change from the middle of June to the middle of July. Employment increased somewhat in the machinery, lumber, furniture, and silk industries and there was a large seasonal increase in the canning industry. Decreases of a seasonal character were reported for establishments producing cotton goods and women's clothing, while in the automobile industry employment declined by more than the usual seasonal amount. At coal mines employment showed a marked decrease in July.

The total value of construction contracts awarded, as reported by the F. W. Dodge Corporation, increased further in July and the first half of August, reflecting an increase in non-residential projects. Residential building continued in considerably larger volume than a year ago, with increases from last year reported for most sections of the country.

Department of Agriculture estimates as of August 1 indicate a cotton crop of 11,800,000 bales, about 2,200,000 bales larger than the unusually small crop last year. The indicated wheat crop, while larger than a year ago, is considerably smaller than the five-year average for 1928-32. Crops of corn and other feed stuffs are substantially larger than last season.

**DISTRIBUTION:** Daily average volume of freight-car loadings declined in July, reflecting a marked decrease in shipments of coal. Department store sales showed a seasonal decline and the Board's adjusted index remained unchanged at 80 per cent of the 1923-25 average.

**PRICES:** The general level of wholesale commodity prices showed little change during July and advanced slightly in the first three weeks of August. For the seven-week period as a whole there were substantial increases in the prices of hogs, lard, silk, and scrap steel, while cotton declined. Wheat, after advancing considerably during the latter part of July, declined somewhat in the early part of August.

**BANK CREDIT:** Excess reserves of member banks increased by \$340,000,000 in the five-week period ended August 21 as a consequence principally of a reduction in the balances held by the Treasury with Federal reserve banks. There were also moderate imports of gold from abroad. Total loans and investments of reporting member banks in leading cities showed a net decline of \$290,000,000 during the four weeks ended August 14. Holdings of direct obligations of the United States Government decreased by \$220,000,000 following a substantial increase in the middle of July. Loans declined by \$180,000,000 in the latter part of July but subsequently advanced by \$40,000,000, while holdings of Government guaranteed and other securities increased by \$70,000,000 in the four-week period.

Yields on Government securities rose slightly during this period, while other short-term open-market money rates remained at low levels.