

# THE MONTHLY REVIEW

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

FEDERAL RESERVE BANK OF KANSAS CITY

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**C**ROPS in the Tenth Federal Reserve District were adversely affected by a scarcity of moisture and high temperatures which prevailed throughout the greater part of August. Corn, grain sorghums, dry beans, and late cuttings of alfalfa were particularly affected, corn prospects declining 28.5 per cent to an estimated yield of 223,783,000 bushels this year as compared to 53,194,000 bushels harvested in 1934, and a ten-year average production of 460,421,000 bushels. As much of the corn was planted late, ultimate returns are largely dependent on a belated frost. General rains late in the month and the forepart of September were beneficial to growing crops and enabled farmers to resume plowing and fall seeding operations.

Trade at wholesale and retail establishments expanded, but by slightly less than the usual seasonal amount. Residential construction continued to feature building activity, being three times as large as a year ago, whereas total building expenditures were a third less, although substantially larger than in July. Flour mills operated at about the same rate of activity as in the preceding month or the corresponding month last year. The output of bituminous coal increased as usual but that of petroleum declined. Business failures remained comparatively insignificant.

Marketings of live stock were seasonally larger in August than in July but substantially smaller than a year ago when drouth conditions compelled owners to sell their herds closely. Operations at meat packing establishments showed the same relative relationship. Moderate price advances were recorded for all species of live stock although closing quotations were somewhat below the month's extremes. Marketings of wheat were about normal for the season but those of corn were extremely light and of oats heavy.

## Financial

**MEMBER BANK OPERATIONS:** The combined weekly condition statement of fifty-one reporting member banks in leading cities of the Tenth Federal Reserve District as of September 11 showed a decline of \$20,888,000 in net demand deposits since August 14, the total of such deposits now amounting to \$513,191,000 as compared to the all-time peak of \$549,921,000 reached on July 10 this year and \$456,228,000 reported on September 12, 1934. Time deposits and Government deposits declined slightly during the four weeks' period and on September 11 were somewhat smaller than one year earlier.

The banks increased their loans and discounts and investment portfolios in four weeks, the total of loans and discounts as of September 11 establishing a new peak for the year although 3.8 per cent smaller than on September 12, 1934. Investment holdings were up \$7,566,000 in four weeks, United States Government securities accounting for \$4,799,000 and securities fully

## BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT

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

	Aug. 1935 compared to		8 Months 1935 compared to 8 Months 1934
	July 1935	Aug. 1934	
<b>Banking</b>			
Payments by check, 29 cities.....	— 2.0	13.3	9.8
Federal Reserve Bank clearings.....	— 0.9	9.3	10.2
Business failures, number.....	—28.6	—43.2	19.2
Business failures, liabilities.....	—73.8	—73.3	—40.8
Loans, 51 member banks.....	2.3	— 3.8	.....
Investments, 51 member banks.....	1.9	12.3	.....
Net demand deposits, 51 member banks	— 3.9	12.5	.....
Time deposits, 51 member banks.....	— 0.4	— 5.9	.....
Savings deposits, 45 selected banks.....	Even	8.0	.....
Savings accounts, 45 selected banks.....	— 0.2	2.2	.....
<b>Distribution</b>			
Wholesalers' sales, 5 lines combined....	1.3	1.9	— 1.9
Retailers' sales, 32 department stores....	25.6	8.9	6.4
Lumber sales, 155 retail yards.....	—13.0	51.4	23.6
Life insurance, written.....	— 3.5	— 4.9	— 8.5
<b>Construction</b>			
Building contracts awarded, value.....	61.8	—34.2	— 1.7
Residential contracts awarded, value....	—21.2	205.0	81.3
Building permits in 17 cities, value.....	—52.2	86.9	70.2
<b>Production</b>			
Flour.....	2.6	1.5	3.2
Crude petroleum.....	— 7.5	3.2	5.1
Soft coal.....	30.3	6.9	17.2
Zinc ore (shipped) Tri-State district....	19.5	8.2	12.6
Lead ore (shipped) Tri-State district....	—12.1	58.4	14.7
<b>Grain receipts, 5 markets</b>			
Wheat.....	2.9	217.4	20.4
Corn.....	—16.8	—92.4	—49.7
Oats.....	1006.7	420.8	103.5
<b>Live stock receipts, 6 markets</b>			
Cattle.....	44.0	—61.8	—35.8
Calves.....	52.1	—73.0	—39.0
Hogs.....	— 1.9	—49.9	—55.7
Sheep.....	7.1	—19.2	— 7.3
Horses and mules.....	14.5	—13.5	9.4
<b>Meat packing, 6 markets</b>			
Cattle.....	12.6	—56.0	—36.4
Calves.....	29.3	—68.2	—37.2
Hogs.....	8.1	—45.3	—56.7
Sheep.....	0.3	— 2.3	— 4.3
<b>Stocker and feeder shipments, 4 markets</b>			
Cattle.....	195.6	—63.3	—30.0
Calves.....	190.8	—41.0	8.7
Hogs.....	14.5	—56.1	—35.7
Sheep.....	163.9	— 9.5	—19.0

guaranteed by the United States Government for \$2,900,000 of the advance, offset by a slight loss in "other" securities. Compared to September 12, 1934, total investment holdings are up \$43,372,000.

Principal resource and liability items of the fifty-one reporting banks are here shown for September 11 and August 14, 1935, and September 12, 1934:

	Sept. 11, 1935	Aug. 14, 1935	Sept. 12, 1934
Loans and investments—total.....	\$603,854,000	\$591,725,000	\$568,674,000
Loans and discounts—total.....	206,594,000	202,031,000	214,786,000
Secured by stocks and bonds.....	46,291,000	46,087,000	58,012,000
All other loans and discounts.....	160,303,000	155,944,000	156,774,000
Investments—total.....	397,260,000	389,694,000	353,888,000
U. S. securities direct.....	230,945,000	226,146,000	231,861,000
Obligations fully guaranteed by the U. S. Government.....	46,650,000	43,750,000	.....
Other securities.....	119,665,000	119,798,000	122,027,000
Reserve with F. R. bank.....	103,049,000	100,868,000	91,207,000
Net demand deposits.....	513,191,000	534,079,000	456,228,000
Time deposits.....	156,335,000	157,032,000	166,097,000
Government deposits.....	10,340,000	10,997,000	19,598,000

**RESERVE BANK OPERATIONS:** Borrowings of member banks at the Federal Reserve Bank of Kansas City and branches showed a slight advance for the four weeks' period ended September 11 but holdings of bills purchased in the open market and industrial advances under Section 13b declined. United States Government security holdings were unchanged, having virtually been so since March 6, at \$106,844,200, or \$13,900,000 above the corresponding date last year.

Following a loss of \$15,465,973 during the five weeks' period ended August 14, member banks' reserve deposits increased \$2,319,183 between that date and September 11 to a total of \$177,636,562 and are \$19,591,785 or 12.4 per cent larger than on September 12, 1934.

Federal reserve note circulation expanded \$5,241,635, or 4.2 per cent in four weeks, to the highest point since March 22, 1933, and \$16,956,500 or 14.9 per cent in fifty-two weeks.

Important changes in the weekly condition statements of the Federal Reserve Bank of Kansas City and branches during four weeks and fifty-two weeks are indicated in the following:

	Sept. 11, 1935	Aug. 14, 1935	Sept. 12, 1934
Total reserves.....	\$207,743,830	\$203,315,649	\$187,559,012
Bills discounted.....	181,588	127,213	151,963
Bills purchased.....	126,464	126,566	142,220
Industrial advances.....	1,134,972	1,158,946	84,792
U. S. securities.....	106,844,200	106,844,200	92,944,200
Total bills and securities.....	108,287,224	108,256,925	93,323,175
Total resources.....	352,925,000	349,168,518	315,007,804
F. R. notes in circulation.....	130,975,410	125,733,775	114,018,910
Member banks' reserve deposits.....	177,636,562	175,317,379	158,064,777

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

**RESERVE BANK CLEARINGS:** Check collections, through the Federal Reserve Bank of Kansas City and branches at Denver, Oklahoma City, and Omaha, declined 3.4 per cent as to the number of items handled and 0.9 per cent in dollars from July to August. Collections were, however, larger than a year ago, the number of items handled showing an increase of 8.6 per cent and the amount an increase of 9.3 per cent.

The totals for July, August, and the first eight months of 1935 and 1934:

	ITEMS		AMOUNT	
	1935	1934	1935	1934
August.....	5,280,320	4,860,092	\$ 894,135,000	\$ 818,078,000
July.....	5,467,895	4,756,091	902,039,000	837,174,000
Eight months....	41,833,556	40,710,618	6,626,836,000	6,015,661,000

**BANK DEBITS:** Checks debited to individual accounts, as reported by banks in twenty-nine cities of the District for the five weeks' period ended September 4, aggregated \$1,150,478,000 or 2 per cent less than in the preceding five weeks ended July 31, but 13.3 per cent more than in the like period last year. Only two of the reporting cities failed to show an increase for the year. Cumulative check payments for the first thirty-five weeks of 1935 ran 9.8 per cent larger than a year ago.

## PAYMENTS BY CHECK

	FIVE WEEKS ENDED		Per cent Change
	Sept. 4, 1935	Sept. 5, 1934	
Albuquerque, N. M.....	\$ 11,408,000	\$ 9,612,000	18.7
Atchison, Kans.....	3,828,000	3,450,000	11.0
Bartlesville, Okla.....	25,010,000	21,385,000	17.0
Casper, Wyo.....	5,191,000	4,288,000	21.1
Cheyenne, Wyo.....	8,109,000	6,851,000	18.4
Colorado Springs, Colo.....	14,795,000	13,544,000	11.6
Denver, Colo.....	158,060,000	146,485,000	7.9
Enid, Okla.....	13,091,000	11,342,000	15.4
Fremont, Nebr.....	2,734,000	2,608,000	4.8
Grand Junction, Colo.....	2,840,000	2,699,000	5.2
Guthrie, Okla.....	1,702,000	1,266,000	34.4
Hutchinson, Kans.....	16,493,000	15,482,000	6.5
Independence, Kans.....	12,272,000	4,383,000	-41.3
Joplin, Mo.....	9,587,000	7,651,000	25.3
Kansas City, Kans.....	11,231,000	10,445,000	7.5
Kansas City, Mo.....	343,118,000	303,418,000	13.1
Lawrence, Kans.....	3,264,000	3,029,000	7.8
Lincoln, Nebr.....	27,400,000	22,706,000	20.7
Muskogee, Okla.....	7,204,000	6,104,000	18.0
Oklahoma City, Okla.....	88,596,000	75,512,000	17.3
Okmulgee, Okla.....	2,825,000	2,196,000	28.6
Omaha, Nebr.....	153,197,000	139,297,000	10.0
Pittsburg, Kans.....	3,483,000	3,135,000	11.1
Pueblo, Colo.....	12,655,000	15,176,000	-16.6
Salina, Kans.....	10,079,000	8,609,000	17.1
St. Joseph, Mo.....	30,972,000	28,829,000	7.4
Topeka, Kans.....	18,944,000	15,414,000	22.9
Tulsa, Okla.....	111,748,000	89,780,000	24.5
Wichita, Kans.....	50,342,000	40,605,000	24.0
Total 29 cities, 5 weeks.....	\$ 1,150,478,000	\$ 1,015,011,000	13.3
Total 29 cities, 35 weeks.....	7,814,831,000	7,119,613,000	9.8
U. S. 270 cities, 5 weeks.....	35,392,296,000	29,874,706,000	18.5
U. S. 270 cities, 35 weeks.....	263,819,940,000	242,151,449,000	8.9

**SAVINGS:** Forty-five selected banks in leading cities of the District reported a slight decrease in the number of their savings accounts between August 1 and September 1, with the amount of savings deposits unchanged. Since September 1, 1934, savings deposits have increased \$9,232,257, or 8 per cent, and the number of depositors has increased 8,632, or 2.2 per cent.

Savings accounts and savings deposits as reported by the forty-five banks:

	Savings Accounts	Savings Deposits
September 1, 1935.....	404,309	\$124,581,314
August 1, 1935.....	405,000	124,586,739
September 1, 1934.....	395,677	115,349,057

## Business Failures

Business insolvencies in the Tenth District continued their declining trend during August, the number of defaults as well as the amount of indebtedness involved being the smallest for any month since August, 1920. The record for the United States was similar to that for the District, insolvencies being numerically the smallest for the month since 1920, and liabilities establishing an August low for recent years.

Business failures in the District and the United States as reported by Dun and Bradstreet, Incorporated:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
August 1935.....	25	\$ 138,297	910	\$ 17,845,596
July 1935.....	35	527,538	931	20,446,761
August 1934.....	44	517,623	929	18,459,903
Eight months 1935.....	398	2,721,492	8,109	148,573,198
Eight months 1934.....	334	4,598,008	8,418	189,579,180

## Life Insurance

Sales of new paid-for ordinary life insurance in the seven states, all or parts of which comprise the Tenth District, as reported to the Life Insurance Sales Research Bureau totaled \$33,015,000 in the month of August, \$1,211,000 less than in July this year and \$1,693,000 less than in August last year.

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

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED		
	Aug. 1935 compared to		Aug. 31, 1935 compared to		August		Year		Aug. 31, 1935 compared to		Aug. 1935 compared to		
	Aug. 1934	Year 1934	July 31, 1935	Aug. 31, 1934	1935	1934	1935	1934	July 31, 1935	Aug. 31, 1934	July 1935	Aug. 1934	
Kansas City....	4	15.4	11.3	6.4	-19.3	.31	.21	2.25	1.67	8.1	11.2	-15.1	10.2
Denver.....	4	3.3	7.4	6.4	-1.5	.35	.34	2.35	2.24	4.1	6.1	-11.2	15.3
Oklahoma City	3	2.4	0.1	17.7	-2.7	.36	.34	2.71	2.67	1.8	-2.4	-15.5	14.1
Tulsa.....	3	10.1	3.8	15.8	6.4	.34	.32	2.75	2.64	5.3	22.4	-15.2	20.9
Wichita.....	3	7.2	12.6	8.7	6.1	.28	.30	2.15	2.06	-2.7	2.8	-16.2	25.2
Other cities....	15	13.4	3.4	13.1	-0.4	.26	.23	1.90	1.86	Even	4.0	-11.5	14.4
Total.....	32	8.9	6.4	9.9	-5.4	.31	.27	2.26	2.04	3.1	5.8	-13.1	14.9

NOTE: Percentage of collections in August on open accounts July 31, all stores reporting 41.5. Collections same month last year 38.7.

Sales for the eight months' period amounted to \$289,742,000 in 1935 as against \$316,536,000 in 1934.

The sales totals by states:

	August 1935	July 1935	August 1934
Colorado.....	\$ 4,107,000	\$ 4,274,000	\$ 4,174,000
Kansas.....	4,757,000	5,550,000	5,182,000
Missouri.....	13,680,000	13,929,000	14,849,000
Nebraska.....	3,958,000	4,029,000	3,880,000
New Mexico.....	631,000	691,000	715,000
Oklahoma.....	5,026,000	4,841,000	5,190,000
Wyoming.....	856,000	912,000	718,000
Seven states.....	\$ 33,015,000	\$ 34,226,000	\$ 34,708,000
United States.....	456,397,000	483,491,000	483,705,000

Trade

RETAIL: The dollar volume of August sales at thirty-two department stores located in cities throughout the Tenth District increased 25.6 per cent over the preceding month, or slightly more than the usual seasonal amount. The increase over August, 1934, was 8.9 per cent, bringing the cumulative sales total for eight months, 1935, up to 6.4 per cent over the corresponding period in 1934.

August collections on open accounts averaged 41.5 per cent of amounts outstanding at the close of July, as compared with 43.3 per cent in July and 38.7 per cent in August, 1934. Installment collections averaged 15.1 per cent during August, 14.8 per cent during July, and 14.1 per cent during August, 1934.

Stocks of merchandise were enlarged 9.9 per cent during August, or more than the usual amount, from July 31, the low of recent years, but were 5.4 per cent under a year ago. The index for the District now stands at 62.1 per cent of the 1925 monthly average, the lowest for any August 31 date on record.

Preliminary estimates of the Bureau of Foreign and Domestic Commerce placed daily average sales of general merchandise in small towns and rural areas in the United States 17 per cent higher in dollar volume in August, 1935, than in August, 1934, and 23 per cent above August, 1933. The cumulative increase for 1935 over 1934 was 23 per cent. Daily average sales at variety stores were 1 per cent below the dollar volume for August, 1934, but total sales for the first eight months of 1935 were approximately the same as for the corresponding period last year.

WHOLESALE: August sales of reporting wholesale firms engaged in five lines of distribution in the Tenth District disclosed an increase of 1.3 per cent over July, or somewhat less than the usual amount. Wholesalers of dry goods and

furniture reported increases of 29.9 per cent and 16.6 per cent, while sales of groceries, hardware, and drugs declined 2.1, 11.8, and 1.2 per cent, respectively.

Compared to August, 1934, the dollar volume of five lines combined showed an increase of 1.9 per cent. Sales of hardware increased 21.1, of furniture 42.8, and of drugs 9.2 per cent, but those of dry goods decreased 1.9 and of groceries 16.0 per cent.

Cumulative sales for the first eight months of 1935 are now only 1.9 per cent under the corresponding period of 1934. By distributive lines, increases for the year were: furniture 14.2 and drugs 1.2 per cent; and decreases: dry goods 12.1, groceries 2.2, and hardware 0.1 per cent.

Merchandise inventories of dry goods, groceries, and hardware were smaller, and of furniture and drugs larger, on August 31 than July 31, 1935. Compared to August 31, 1934, inventories of dry goods and hardware were smaller, and of groceries furniture, and drugs larger.

Lumber

Lumber sales at 155 retail yards in the District dropped 13 per cent and dollar sales of all materials were off 4.2 per cent from July to August. Footage sales of lumber, however, were 51.4 per cent and of all materials 36.1 per cent above a year ago. Lumber stocks were about the same on August 31, 1935, as one month and one year earlier. Collections were considerably better than a year ago, averaging 42.4 per cent in August this year as against 32.4 per cent in the like month last year.

August business is herewith compared to that of July this year and August last year in percentages of increase or decrease:

	August 1935 compared to	
	July 1935	August 1934
Sales of lumber, board feet.....	-13.0	51.4
Sales of all materials, dollars.....	-4.2	36.1
Stocks of lumber, board feet.....	0.7	2.1
Outstandings, end of month.....	1.6	18.6

Building

Total construction expenditures in the Tenth District, according to statistics compiled by the F. W. Dodge Corporation, expanded 61.8 per cent during August, the value of total building contracts awarded being the highest for any August since 1931, last year excluded. Residential expenditures, although about one-fifth less than in July, were more than three times as large as last August and the highest for any August in three years. The value of residential contracts for the year to September 1 was 81.3 per cent over the same period last year.

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	SALES		OUTSTANDINGS		AMOUNTS COLLECTED		STOCKS		
	Aug. 1935 compared to		Aug. 31, 1935 compared to		Aug. 1935 compared to		Aug. 31, 1935 compared to		
	July 1935	Aug. 1934	July 31, 1935	Aug. 31, 1934	July 1935	Aug. 1934	July 31, 1935	Aug. 31, 1934	
Dry goods.....	5	29.9	-1.9	17.6	-8.3	2.8	-3.1	-6.0	-9.9
Groceries.....	5	-2.1	-16.0	3.9	2.8	12.2	-1.1	-1.6	17.9
Hardware.....	8	-11.8	21.1	12.4	-1.8	-10.0	13.2	-1.1	-5.9
Furniture.....	4	16.6	42.8	2.1	13.7	-10.1	26.0	11.9	8.9
Drugs.....	7	-1.2	9.2	0.7	5.5	-0.4	18.8	1.9	14.9

Total and residential contracts awarded in the District and the United States, as reported by the F. W. Dodge Corporation:

	TOTAL BUILDING CONTRACTS AWARDED			
	TENTH DISTRICT		UNITED STATES	
	1935	1934	1935	1934
August.....	\$ 7,076,281	\$10,746,919	\$ 168,557,200	\$ 120,244,500
July.....	4,372,238	3,695,353	159,249,900	119,698,800
Eight months	48,053,933	48,885,347	1,024,716,400	1,095,553,800

	RESIDENTIAL CONTRACTS AWARDED			
	TENTH DISTRICT		UNITED STATES	
	1935	1934	1935	1934
August.....	\$ 1,684,571	\$ 552,269	\$ 40,528,300	\$ 18,641,000
July.....	2,138,111	445,969	48,371,800	19,879,100
Eight months	11,116,111	6,129,689	297,149,400	170,424,300

Building departments in seventeen Tenth District cities issued 1,653 permits during August, slightly more than in July and over a third more than last August. The estimated construction costs for which permits were issued during the month, although 52.2 per cent less than in July, were 86.9 per cent greater than in August, 1934, and involved the amount of \$1,928,893, establishing a five-year record for the month. Permits issued so far this year are 36.9 per cent greater, and the estimated cost thereof 70.2 per cent greater, than for the first eight months of 1934.

	BUILDING PERMITS IN TENTH DISTRICT CITIES			
	PERMITS		ESTIMATED COST	
	1935	1934	1935	1934
Albuquerque, N. M.....	85	69	\$ 60,015	\$ 30,288
Cheyenne, Wyo.....	44	40	42,213	14,676
Colorado Springs, Colo.....	35	21	14,247	10,325
Denver, Colo.....	383	276	347,623	207,825
Joplin, Mo.....	15	20	24,990	16,010
Kansas City, Kans.....	39	27	16,315	10,145
Kansas City, Mo.....	259	218	337,300	190,000
Lincoln, Nebr.....	144	120	123,568	28,683
Oklahoma City, Okla.....	169	97	250,315	52,345
Omaha, Nebr.....	107	74	144,335	60,734
Pueblo, Colo.....	33	51	7,295	12,252
Salina, Kans.....	17	12	18,391	14,225
Shawnee, Okla.....	9	11	4,025	212,500
St. Joseph, Mo.....	23	17	126,280	24,805
Topeka, Kans.....	56	48	70,520	35,330
Tulsa, Okla.....	85	66	197,553	62,015
Wichita, Kans.....	150	55	143,908	50,106
Total 17 cities, August.....	1,653	1,222	\$ 1,928,893	\$1,032,264
Eight months.....	11,434	8,353	15,337,846	9,013,313

### Flour Milling

Mills in the Tenth District produced 1,876,418 barrels of flour during the month of August, or slightly more than in either the preceding month this year or the like month in 1934 but 13 per cent less than the ten-year average for the month. The mills operated at 57.9 per cent of full-time capacity in August as against 56.5 per cent in July and 57.6 per cent in August, 1934.

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

	Aug. 1935 Barrels	July 1935 Barrels	Aug. 1934 Barrels
Atchison.....	100,403	104,855	111,163
Kansas City.....	474,272	487,748	453,249
Salina.....	161,032	138,271	161,287
Wichita.....	180,698	171,511	130,087
Outside.....	960,013	927,006	993,210
Total.....	1,876,418	1,829,391	1,848,996
*United States.....	5,075,797	4,818,990	5,365,925

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

Buyers, apparently reconciled to prices, displayed more interest in flour than for sometime. A few round lots for long-time delivery were contracted but demand was widely diversified and volume consisted chiefly of numerous small lot sales

frequently accompanied by urgent shipping directions. Shipping directions were fair to good. Prices strengthened somewhat and the position of low grade flour improved. Millfeed demand was slow and the trend was weak, particularly for bran. Shorts for immediate shipment were scarce at times and prices were relatively strong although closing quotations showed a loss of about \$1 per ton for the month.

### Grain Marketing

Abnormally large receipts of oats and barley, near normal receipts of wheat and rye, and subnormal receipts of corn and kafir during the month of August were disclosed by the reports of the five principal grain markets in the District. Marketings of wheat, oats, rye, and barley were heavier, and of kafir lighter, than in either July this year or August last year. Wheat was in more liberal supply than in any month since July, 1934, and marketings of oats were, with the exception of August, 1925, the heaviest for any month in sixteen years of record. On only two occasions, June and July, 1932, have offerings of corn been lighter.

August receipts of grain at the five markets are shown in the following table with comparisons:

	Wheat Bushels	Corn Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Kafir Bushels
Hutchinson.....	1,578,150	.....	1,500	1,200	2,500	23,400
Kansas City.....	14,731,200	597,000	1,372,000	67,500	254,400	47,600
Omaha.....	5,493,299	296,800	3,338,000	133,000	667,200	.....
St. Joseph.....	1,726,400	133,500	1,016,000	1,200	12,250	.....
Wichita.....	2,550,000	10,400	16,500	.....	1,300	.....
Aug. 1935.....	26,079,049	1,037,700	5,744,000	202,900	937,650	71,000
July 1935.....	25,345,483	1,246,950	519,000	29,600	12,800	88,900
Aug. 1934.....	8,216,300	13,644,300	1,103,000	97,300	65,400	82,500
8 Mos. 1935.....	69,763,238	17,469,710	9,242,100	325,300	1,031,100	517,500
8 Mos. 1934.....	57,936,150	34,727,000	4,541,000	410,300	379,500	1,179,700

Most cash grain prices worked downward in August, wheat and rye closing 4 cents, corn 10 cents, and oats 5 cents per bushel lower. Barley was unchanged but kafir was off 15 cents per hundredweight. All prices improved the forepart of September, wheat more than recovering its loss.

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

	Sept. 16 1935	Aug. 31 1935	July 31 1935	Sept. 15 1934	Aug. 31 1934	Aug. 31 1933
No. 1 dark hd. wheat, bu.....	\$1.03½	\$ .99	\$1.03	\$1.05½	\$1.05	\$ .85½
No. 2 mixed corn, bu.....	.79	.76½	.86½	.78	.81½	.46½
No. 2 white oats, bu.....	.30½	.29½	.34½	.55½	.55½	.37
No. 2 rye, bu.....	.52½	.47	.51	1.00	1.00	.74
No. 2 barley, bu.....	.51	.49	.49	.85	.90	.47
No. 2 kafir, cwt.....	1.18	1.15	1.30	1.68	1.72	1.18

### Crops

Most sections of the Tenth District received little moisture during August and crops generally deteriorated. Estimated losses in prospective crop yields between August 1 and September 1, as indicated by reports of the United States Department of Agriculture and expressed in percentages of decrease, were as follows: corn, 28.5; spring wheat, 21.8; broom corn, 22.2; dry beans, 20.2; grain sorghums, 15.0; apples, 7.6; and all other crops but wild hay, which improved 8.3 per cent, lesser amounts. Regardless of these declines the District will produce, under favorable weather conditions, almost four times as much corn as was harvested in the extremely poor year of 1934 and substantially larger amounts of all other crops. Yields of oats, rye, wild hay, dry beans, and apples, peaches, pears, and grapes are expected to exceed the five-year average. In the irrigated regions, water supplies have been adequate and average or better yields of irrigated crops are anticipated. Recent general rains have enabled farmers to proceed with their fall plowing and seeding operations, which had been de-

laid by dry soil, and also materially benefited ranges and pastures and unmaturing crops.

Prospective yields of twenty important crops in the seven states, whose areas or parts thereof comprise the Tenth District, and the United States, as estimated by the Department of Agriculture on September 1 with comparisons (production 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.	155,695	158,087	325,059	431,709	405,552	618,185
Spring wheat, bu.	8,434	3,608	9,429	162,906	91,377	242,385
All wheat, bu.....	164,129	161,695	334,488	594,615	496,929	860,570
Corn, bu.....	287,662	75,176	590,390	2,183,755	1,377,126	2,562,147
Oats, bu.....	194,063	62,765	178,840	1,181,692	525,889	1,217,646
Rye, bu.....	7,865	1,326	4,282	52,236	16,045	38,655
Barley, bu.....	31,771	10,091	40,383	283,339	118,348	282,841
Gr. sorghums, bu.	48,078	13,988	37,856	125,485	34,542	93,764
Tame hay, tons.....	11,265	6,405	11,259	74,880	52,269	69,591
Wild hay, tons.....	4,469	1,762	4,096	12,330	4,759	10,793
Broom corn, tons	35	17	38	58	32	47
Sugar beets, tons	2,894	2,549	4,052	8,426	7,481	8,118
Cotton, bales.....	1,079	648	1,420	11,489	9,636	14,667
White potatoes, bu.	35,371	16,260	39,472	372,677	385,421	363,367
Sweet potatoes, bu.	2,550	1,656	2,808	68,735	67,400	63,841
Dry beans, bags..	2,448	663	2,290	13,303	10,369	11,858
Tobacco, lbs.....	4,320	3,121	5,836	1,263,593	1,045,660	1,432,845
Apples, bu.....	8,389	5,496	7,220	167,864	120,670	161,333
Peaches, bu.....	3,717	2,558	2,263	52,200	45,665	56,451
Pears, bu.....	1,261	990	996	21,344	23,490	23,146
Grapes, tons.....	20	15	20	2,314	1,931	2,200

**CORN:** The drouth and hot winds reduced 1935 corn prospects in the District as of September 1 to 223,783,000 bushels, a loss of 89,197,000 since August 1. Production in 1934 amounted to only 53,194,000 bushels but the five-year average production, 1928-1932, is 460,421,000 bushels. Rains and cooler temperatures, although augmenting fodder tonnage, arrived too late to increase grain yields in many fields and much upland corn is a failure, or near failure. Mid-August rains in south central and southeastern counties of Oklahoma promise average yields in that area. In Kansas most of the corn will be produced in the eastern three tiers of counties and in Nebraska in north-eastern, east central, and a few western counties. Missouri reports the poorest corn is in the western third of the state. Corn in the irrigated regions of Colorado has made excellent growth. Forage yields will be much heavier than a year ago. A majority of the acreage having been planted almost a month late, an early frost would do great injury to corn generally.

Corn production, by states, as estimated by the Department of Agriculture in thousands of bushels:

	Estimated		Final	5-Yr.Av.
	Sept. 1, 1935	Aug. 1, 1935		
Colorado.....	12,728	16,705	3,368	1928-32 22,599
Kansas.....	38,072	61,867	10,576	127,493
Missouri.....	76,942	81,468	26,482	156,561
Nebraska.....	124,874	180,852	21,363	225,053
New Mexico....	3,718	3,432	1,088	3,872
Oklahoma.....	29,172	33,660	11,644	52,381
Wyoming.....	2,156	2,548	655	2,431
Seven states.....	287,662	380,532	75,176	590,390
Tenth District..	223,783	312,980	53,194	460,421
United States....	2,183,755	2,272,147	1,377,126	2,562,147

**COTTON:** A cotton crop of 11,489,000 bales in the United States and 637,000 bales in the District is indicated by September 1 conditions. In 1934 national production totaled 9,636,000 bales and Tenth District production amounted to but 263,000 bales. Although the District crop has been handicapped by unsatisfactory weather conditions throughout the season, the cool, wet spring retarding growth and necessitating much replanting, and July and August being too hot and dry for best development, acreage abandonment has been light,

particularly as compared to last year. Present moisture conditions are favorable but warm weather is needed during September for late crop development.

Cotton acreage and production, by states, as estimated by the Crop Reporting Board of the United States Department of Agriculture, thousands omitted:

	ACREAGE FOR HARVEST		INDICATED PRODUCTION (Bales)		
	Sept. 1	Sept. 1	Sept. 1	Aug. 1	Final
	1935	1934	1935	1935	1934
Oklahoma.....	2,628	2,539	768	827	317
New Mexico.....	108	92	90	87	89
Missouri.....	320	288	221	199	242
Three states.....	3,056	2,919	1,079	1,113	648
United States....	28,652	27,241	11,489	11,798	9,636

**GRAIN SORGHUMS:** The condition of grain sorghums is below average but much higher than a year ago. Grain yields will be light owing to the heat and drouth, early planted fields being especially affected. The late rains will benefit the crop and increase the amount of roughage considerably, and in the case of late planted fields fair yields are possible if frosts hold off until late.

**BROOM CORN:** The condition of Oklahoma broom corn on September 1 was 47 per cent of normal compared with 34 per cent last year and 66 per cent as the ten-year average. The indicated yield is 200 tons per acre, or 50 tons better than last year, and production is estimated at 18,200 tons, approximating the 1928-1932 average but exceeding the 1934 production by 8,400 tons. Most of the standard crop has been harvested and yields were average or better. Broom corn in the dwarf areas has declined greatly since August 1 but the recent rains will be beneficial if fall growing conditions are favorable.

**FRUIT:** Fruit was adversely affected by the hot, dry weather, particularly grapes in Oklahoma, but the damage was not extensive and the outlook is, on the whole, fair to good. A bumper harvest of peaches on the western slope of Colorado is virtually completed and apples and pears in that state promise better yields than a year ago, although they will fail to come up to the average. Prospects for all fruits in Missouri, exclusive of grapes, are reported much above the five-year average.

**MISCELLANEOUS CROPS:** Colorado reported potatoes and sugar beets as making satisfactory growth with good yields anticipated. The condition of dry edible beans in Colorado declined from 68 per cent of normal on August 1 to 45 per cent on September 1, dry weather having caused a heavy drop of blossoms and reduced the yield. A considerable acreage in New Mexico was abandoned but August rains improved some fields. The third cutting of alfalfa was light but the outlook for a fourth cutting is now promising. The Oklahoma pecan crop is forecast at 17,000,000 pounds compared with 10,250,000 pounds produced last year and the 1928 to 1932 average production of 13,360,000 pounds.

**FARM INCOME:** Cash farm income in the nation for the calendar year 1935 was tentatively predicted by the Bureau of Agricultural Economics at \$6,700,000,000, the highest in five years.

Following are the cash income estimates for the past twelve years; these include cash income from the sale of farm products, rental and benefit payments, payments for the exercise of cotton options, and for the emergency purchase of live stock in drouth areas by the Agricultural Adjustment Administration:

1924.....	\$ 9,785,000,000	1930.....	\$ 8,451,000,000
1925.....	10,324,000,000	1931.....	5,899,000,000
1926.....	9,993,000,000	1932.....	4,328,000,000
1927.....	10,016,000,000	1933.....	5,117,000,000
1928.....	10,289,000,000	1934.....	6,387,000,000
1929.....	10,479,000,000	1935.....	*6,700,000,000

\*Tentative.

Farmers are now receiving the first installment on their 1935 corn-hog contracts, with the final installment falling due after January 1.

According to the Department of Agriculture's index, farm purchasing power advanced 3 points from July 15 to August 15 to 84 per cent of the pre-war level and is now 7 points higher than a year ago. The index of farm prices rose from 102 on July 15 to 106 on August 15, whereas the index of prices paid by farmers for commodities purchased was stationary at 126 per cent of the 1909-1914 average.

### Live Stock

Receipts of cattle and calves at the six principal market centers of the Tenth District were seasonally larger in August than for any month since last November but were sharply smaller than in August, 1934, when drouth conditions resulted in extensive forced liquidations. The movement of grass fat cattle from the Flint Hills pastures of Kansas and the Osage country of Oklahoma reached volume proportions late in the month and the forepart of September, with indications that the movement is nearing completion somewhat earlier than usual.

The shrinkage in hog supplies continued, receipts at the six markets being, with the exception of June this year, the lightest for any one month in seventeen years of record and equal to but 36 per cent of the ten-year average numbers for August. Range lambs commenced moving to market in small volume but the general movement was belated and receipts of sheep and lambs at the six markets, although slightly larger than in July, fell 19.2 per cent below a year ago and 16 per cent below normal.

Prices of all kinds and most grades of live stock worked higher during August and, although the extremes of the month's advances failed to hold, cattle and hogs showed net gains of 25 to 50 cents per hundredweight and sheep and lambs closed 15 to 25 cents higher, an increasing premium in finish being noticeable in both the cattle and hog divisions. On August 15, hog values soared to a top figure of \$12 per hundred pounds at Kansas City, the highest price paid on that market since July 12, 1929. This price compares with the August, 1934, top of \$10.75. Lightweight cattle were in best demand and, as slaughter classes were in moderate supply, beef steers sold up to \$11.85 compared to \$10 a year ago and mixed yearlings reached \$11.65 as against \$7.50 last year. Sheep and lamb prices moved narrowly, the month's top on native spring lambs being \$9.10, or \$2.75 per hundredweight higher than in August, 1934.

Stocker and feeder cattle were in broad demand and moved freely throughout the month, countryward shipments from four markets being, as usual, the largest of the year with cattle shipments 16 per cent below, and the out-movement of calves 36 per cent above normal. Scarcity reduced the outgo of hogs

30 per cent below normal and lamb shipments were down 44 per cent due to the late movement of range lambs to market.

Western live stock and ranges are generally in good condition. Feed supplies are ample except in limited dry areas in western Kansas and Oklahoma, southeastern Colorado, and northeastern New Mexico, from which areas some forced shipments of cattle are anticipated. In contrast with a year ago, when all live stock was thin and the Government was making emergency purchases of cattle and sheep to alleviate the effects of the drouth, cattle made good gains and are well finished, ewes are in good condition, and a large proportion of the lambs are in slaughter flesh. There is a definite tendency to hold cattle and ewe lambs closely to rebuild depleted herds and flocks.

### Meat Packing

Operations at Tenth District meat packing establishments, as reflected by packers' purchases of meat animals at the six principal market centers, direct purchases of hogs included, were somewhat heavier in August than in the preceding month, with the slaughter of cattle, calves, and hogs substantially, and of sheep and lambs slightly, lighter than in August, 1934, when distressed marketings and processing for the Government account resulted in increased activity. Butcherings were below normal for the season for all species, hog slaughter, the lightest for the month of record, falling 59 per cent short of the ten-year average, and the slaughter of cattle, calves, and sheep showing declines of 17, 12, and 16 per cent, respectively.

According to reports of the United States Department of Agriculture, the August slaughter of commercial cattle under Federal meat inspection was the largest since 1918 and of sheep and lambs of record, whereas that of hogs was the smallest since 1902. Comparisons with 1934 exclude Government drouth relief animals and the Federally inspected slaughter of commercial cattle and sheep was 5.1 and 9.1 per cent larger than in August last year. Calf slaughter was 8.8 per cent smaller and swine numbers were 36.9 per cent less.

Federally inspected slaughter of meat animals as reported by the United States Department of Agriculture:

	Cattle	Calves	Hogs	Sheep
August 1935.....	875,070	472,184	1,667,540	1,665,449
July 1935.....	744,900	464,091	1,712,311	1,545,804
August 1934.....	832,409	517,707	2,641,187	1,526,732
Eight months 1935.....	5,858,573	3,728,242	17,172,630	11,555,149
Eight months 1934.....	6,420,555	4,152,060	29,221,482	10,296,671

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

### Cold Storage Holdings

United States cold storage holdings of all commodities but miscellaneous meats, butter, and cheese declined during August. Holdings of beef and poultry ordinarily increase at this season of the year and this year's reduction indicates a substitution

#### AUGUST MOVEMENT OF LIVE STOCK IN THE TENTH DISTRICT

	RECEIPTS			STOCKERS AND FEEDERS				PURCHASED FOR SLAUGHTER				
	Cattle	Calves	Hogs	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep	
Kansas City.....	182,923	34,941	98,788	74,308	69,585	11,286	3,428	27,289	68,633	23,971	90,672	43,321
Omaha.....	103,634	9,377	72,185	205,428	27,485	2,232	1,532	57,614	60,184	7,145	57,559	135,324
St. Joseph.....	36,614	7,971	37,730	96,751	4,654	586	1,636	12,095	28,025	7,395	33,175	82,665
Denver.....	26,088	4,994	20,629	215,328	6,077	756	206	26,941	14,014	3,469	13,936	19,681
Oklahoma City.....	51,878	19,583	23,840	12,709	.....	.....	.....	.....	26,015	13,570	21,090	8,891
Wichita.....	29,232	5,512	14,754	7,741	.....	.....	.....	.....	10,958	4,303	13,579	6,152
August 1935.....	430,369	82,378	267,926	612,265	107,801	14,860	6,802	123,939	207,829	59,853	230,011	296,034
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
August 1934.....	1,127,641	130,517	534,842	758,198	294,021	25,180	15,481	137,016	1,472,357	118,996	420,567	303,129
Eight months 1935.....	2,601,155	501,329	2,778,319	4,701,905	530,344	89,831	49,547	418,697	1,375,886	383,114	2,302,239	2,561,320
Eight months 1934.....	1,404,289	182,213	6,273,972	5,074,689	757,192	82,643	77,075	516,861	1,216,354	160,739	5,316,819	2,677,215

\*Includes 56,236 hogs shipped direct to packers' yards. †Government cattle and calves included.

of those meats for pork, September 1 stocks of which are at the lowest levels of record as is also true of lard.

Storage holdings of butter are 30 per cent and of lamb and mutton 7.6 per cent larger than a year ago but stocks of beef, pork, poultry, miscellaneous meats, lard, and eggs are somewhat smaller. Compared to the September 1 five-year average, stocks of beef are down 6 per cent, pork 46.3 per cent, lamb and mutton 16.4 per cent, poultry 14.9 per cent, miscellaneous meats 29.8 per cent, lard 60.3 per cent, and cased eggs 13.2 per cent, whereas inventories of creamery butter and cheese are up 20.4 and 2.8 per cent, respectively.

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

	*Sept. 1	Aug. 1	Sept. 1	Sept. 1	5-Yr. Av.
Beef, lbs.....	47,329	49,473	80,075	50,340	
Pork, lbs.....	324,785	369,910	542,010	604,722	
Lamb and mutton, lbs.....	1,730	2,109	1,608	2,070	
Poultry, lbs.....	34,920	41,262	46,053	41,022	
**Turkeys, lbs.....	9,006	11,655	4,767	4,193	
Miscellaneous meats, lbs.....	50,414	49,582	90,190	71,823	
Lard, lbs.....	53,716	68,435	167,155	135,425	
Eggs, cases.....	7,336	7,947	7,938	8,447	
Eggs, frozen (case equivalent).....	3,180	3,322	3,200	3,033	
Butter, creamery, lbs.....	156,791	149,628	120,467	130,194	
Cheese, all varieties, lbs.....	105,668	94,679	122,495	102,745	

\*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.

Petroleum

Estimates for August, based on the weekly reports of the American Petroleum Institute compared to the reports of the Bureau of Mines covering the months of July this year and August last year, indicate a reduction of crude oil production in this District of 7.5 per cent as compared to July and an increase of 3.2 per cent over August, 1934. All of the major producing states showed losses for the month and, with the exception of Wyoming, increases for the year. Cumulative production during the first eight months of the year is estimated at 183,291,000 barrels as against 174,465,000 barrels in the like period of 1934.

The gross production figures for the five oil producing states of the District and the United States follow:

	*August 1935	July 1935	August 1934
	Barrels	Barrels	Barrels
Oklahoma.....	15,270,000	16,435,000	14,986,000
Kansas.....	4,377,000	4,865,000	4,037,000
Wyoming.....	1,189,000	1,274,000	1,280,000
Colorado.....	133,000	124,000	116,000
New Mexico.....	1,684,000	1,804,000	1,533,000
Total five states.....	22,653,000	24,502,000	21,952,000
Total United States.....	82,938,000	85,485,000	79,058,000

\*Estimated, American Petroleum Institute.

Mid-continent crude oil prices, in effect for two years, range from 76 cents to \$1.08 per barrel per gravity test. Prices failed to react to a lowering of quotations in the California area.

Domestic consumption of gasoline is at record levels but at the time of the year when gasoline consumption and crude oil output should decline, a substantial increase in crude oil production is recorded, the August, 1935, output for the nation being, with two exceptions, 1933 and 1929, a record for that month. There is, however, no excessive surplus available and the industry has been drawing quite heavily upon its reserves for several years and present stocks of refinable crude oil are the lowest since 1927. According to reports, adequate future supplies are of more concern to most companies than current heavy production. September requirements of crude oil for the nation are estimated by the Bureau of Mines at 2,613,000

barrels daily, or 42,000 barrels below the estimated daily requirements for August.

Drilling activity continues at a high level, particularly in Oklahoma and Kansas. There were 380 wells completed in the District in August, or 92 more than a year ago. Rigs up and wells drilling at the close of the month numbered 1,032, 44 less than in July but 140 more than in August, 1934. The August record of completions and new operations has not been exceeded in that month since 1930. New pipe lines are being constructed in western Kansas and the deep well development in the Oxford pool of that state is of particular interest to the petroleum industry.

The summary of August field operations by states:

	Wells Completed	Barrels Daily New Production	Dry Wells	Gas Wells	Rigs-Wells Drilling
Oklahoma.....	204	126,688	51	11	560
Kansas.....	122	73,260	23	2	239
Wyoming.....	13	4,513	3	0	83
Colorado.....	1	175	0	0	33
New Mexico.....	40	47,420	11	1	117
August 1935.....	380	252,056	88	14	1,032
July 1935.....	302	158,350	95	18	1,076
August 1934.....	288	124,792	82	7	892

Coal

Bituminous coal production in the six coal producing states of the District, as estimated from the weekly reports of the United States Bureau of Mines, increased from July to August by 30.3 per cent, or somewhat more than the usual seasonal amount. Compared to August, 1934, production increased 6.9 per cent, and tonnage for the first eight months of 1935 is 17.2 per cent above the corresponding period last year.

The production figures by states follow:

	*August 1935	July 1935	August 1934
	Tons	Tons	Tons
Colorado.....	390,000	266,000	328,000
Kansas and Missouri.....	424,000	302,000	405,000
New Mexico.....	113,000	92,000	97,000
Oklahoma.....	103,000	63,000	116,000
Wyoming.....	337,000	326,000	333,000
Total six states.....	1,367,000	1,049,000	1,279,000
Total United States.....	25,980,000	22,252,000	27,452,000

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

Zinc and Lead

Shipments of zinc ore from Tri-State mines and tailing mills during the four weeks' period ended August 31 were 19.5 per cent larger and of lead ore 12.1 per cent smaller than in the preceding four weeks' period. Zinc ore shipments were larger than in the like period a year ago by 8.2 per cent and, as prices were somewhat better, the value of deliveries was up 16.2 per cent. The lead ore tonnage exceeded that of last year by 58.4 per cent and the value was 86.7 per cent greater.

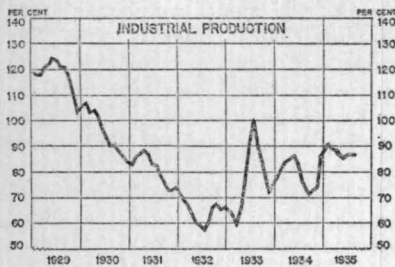
The tonnage and value of zinc ore and lead ore shipments from Missouri, Kansas, and Oklahoma:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	25,041	\$ 745,400	3,814	\$165,762
Kansas.....	6,355	189,151	516	23,102
Missouri.....	1,479	44,004	52	2,262
4 Weeks ended Aug. 31, 1935....	32,875	\$ 978,555	4,382	\$191,126
4 Weeks ended Aug. 3, 1935....	27,504	770,112	4,987	207,621
4 Weeks ended Sept. 1, 1934....	30,394	842,448	2,767	102,379
35 Weeks ended Aug. 31, 1935....	228,471	6,158,066	25,973	980,379
35 Weeks ended Sept. 1, 1934....	202,902	5,715,695	22,639	956,088

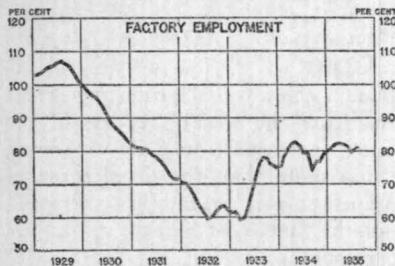
Zinc concentrate prices were advanced \$1 per ton the forepart of the month and lead ore prices were raised \$2 per ton the final week, closing quotations for both classes of ore of \$30 and \$45 per ton, respectively, establishing new highs for the year. In August, 1934, zinc ore closed at \$26 and lead ore at \$37.50 per ton.

## Business Conditions in the United States

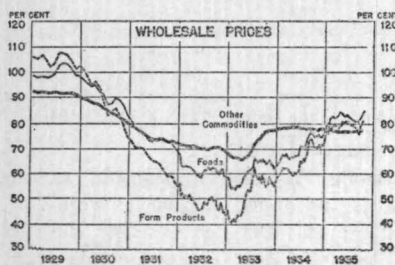
By the Federal Reserve Board



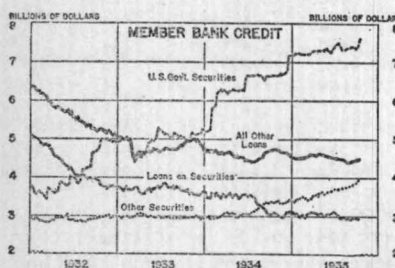
Index of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure: August, 86.



Index of factory employment, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure: August, 81.6.



Indexes of the United States Bureau of Labor Statistics. (1926=100.) By months, 1929 to 1931; by weeks, 1932 to date. Latest figure, September 14: farm products, 81.2; foods, 86.4; other commodities, 78.0.



Wednesday figures for reporting member banks in 91 leading cities. Latest figures are for September 18.

Total volume of industrial production increased in August by about the usual seasonal amount. Steel output increased more than seasonally, while the output of automobiles and anthracite declined sharply. Factory employment and payrolls increased. Wholesale prices of farm products and metal advanced during August and the first two weeks of September, and prices of wheat increased further in the third week of the month.

**PRODUCTION AND EMPLOYMENT:** Industrial production increased seasonally in August and the Board's index, which is adjusted to allow for usual seasonal variations, remained unchanged at 86 per cent of the 1923-1925 average. Activity at steel mills showed a considerable increase from July to August and in the first three weeks of September was at a level higher than in any other month since February. Automobile assemblies declined by about 30 per cent in August and showed a further sharp reduction in the early part of September, reflecting in part preparations for early introduction of new models. At lumber mills output continued to increase in August. Cotton consumption by domestic mills increased slightly from recent relatively low levels and activity at woolen mills was maintained at a high rate. At mines, output of anthracite decreased sharply in August, while output of bituminous coal showed an increase.

Factory employment and payrolls increased between the middle of July and the middle of August by more than the usual seasonal amount. Marked increases in employment were reported for the steel, machinery, lumber, silk, and clothing industries, while at automobile factories employment declined somewhat. The number of wage earners engaged in the production of durable manufactures in August was 6 per cent larger than a year earlier, while the volume of employment in other manufacturing industries as a group showed little change. Total factory employment was 3 per cent larger than in August, 1934.

Daily average value of construction contracts, as reported by the F. W. Dodge Corporation, showed little change in August and the first half of September. Contracts for residential building, which earlier in the year had increased considerably, showed a decrease for this period, while the volume of public projects increased.

Department of Agriculture estimates based on September 1 conditions indicate a cotton crop of 11,489,000 bales, as compared with the unusually small crop of 9,636,000 bales last year. The indicated crops of corn, wheat, and other grains are considerably larger than last year, when drought conditions prevailed, and the condition of pastures is above the ten-year average.

**DISTRIBUTION:** Freight carloadings increased considerably in August and the first half of September, partly as a consequence of seasonal factors. Department store sales increased slightly less than seasonally from July to August.

**COMMODITY PRICES:** The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, advanced from 79.6 per cent of the 1926 average at the beginning of August to 80.8 per cent in the second week of September and prices of many leading commodities, including wheat, silk, copper, lead, and zinc advanced further in the third week of the month. Cotton prices declined considerably in August and showed relatively little change in the first three weeks of September.

**BANK CREDIT:** Excess reserves of member banks declined in the five-week period ended September 18, reflecting a temporary increase in the Treasury's total holdings of cash and deposits at Federal reserve banks and a seasonal increase of money in circulation, which was partly offset by an inflow of gold from abroad.

Total loans and investments of reporting banks in leading cities increased by \$610,000,000 during the five weeks ended September 18. Loans increased by \$100,000,000, holdings of United States Government direct obligations by \$390,000,000, holdings of United States guaranteed securities by \$70,000,000, and holdings of other securities by \$50,000,000. Adjusted demand deposits of these banks—that is, demand deposits other than Government and bank deposits, adjusted collection items—increased by \$140,000,000, United States Government deposits by \$160,000,000, and balances due to banks by \$270,000,000.

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