

# THE MONTHLY REVIEW

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

FEDERAL RESERVE BANK OF KANSAS CITY

Vol. 21

KANSAS CITY, MISSOURI, JULY 25, 1936

No. 8

**C**ROP prospects and ranges and pastures in the Tenth District generally declined rapidly between the middle of June and the middle of July because of extreme high temperatures, subnormal rainfall, and insect damage. July 1 estimates of the Department of Agriculture indicated below-average production for nearly all crops in the District in 1936 but an increase in the production of winter wheat and corn compared to last year. The corn crop, however, has suffered extensively since July 1 as the drought continued to date unabated. Harvesting of the wheat crop was virtually completed in the southern part of the District by mid-July and was well under way in northern sections. A prospective decline in the production of oats was offset in part by the large farm carryover on July 1.

Marketings of grains and live stock generally increased during June, with a sharp increase in receipts of wheat indicative of the rapid progress of harvesting and an earlier than normal volume marketing of the new crop. Supplies of grains and of cattle, calves, and hogs were heavier than in June, 1935, but hog receipts continued at a low level. Grain prices advanced sharply in June and the forepart of July as crop prospects declined. Hog and cattle prices were somewhat stronger in June, while lamb prices declined. All live stock values weakened the forepart of July.

Department store sales declined by less than the usual seasonal amount in June and wholesale trade increased somewhat more than seasonally, with both retail and wholesale trade maintaining the previously established gains over a year ago. Lumber sales, although smaller than in May, were 27.1 per cent greater than in June of last year. Building activity continued at the highest level in the past four years. The volume of payments by check was 6.4 per cent larger than in May and 11.4 per cent greater than in June, 1935.

The production of flour and bituminous coal increased during June, while the production of crude petroleum declined. Flour production and the output of crude oil were larger than in June, 1935, but coal production was somewhat smaller than a year ago. Shipments of lead ore showed an increase and zinc ore a decrease during the month, but shipments of both lead and zinc were larger than in June of last year. Packers' purchases of live stock indicated an increase in the slaughter of cattle, calves, and hogs compared to May and to June of last year, although hog slaughter equaled only about half the average volume for the month during the past ten years.

## Member Bank Operations

The total of loans and discounts of fifty-two reporting member banks in the Tenth District showed virtually no change between June 10 and July 8 and on the latter date was 15.4 per cent greater than on July 10, 1935, reflecting principally an increase during the year in "all other" loans, which include

## BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT

Percentages of Increase, or Decrease (—), for June 1936 over May 1936 and June 1935 and for the first six months of 1936 over the like period in 1935.

	June 1936 compared to May 1936	June 1936 compared to June 1935	6 Months 1936 compared to 6 Months 1935
<b>Banking</b>			
Payments by check, 29 cities.....	6.4	11.4	11.7
Federal Reserve Bank check collections.....	45.2	45.5	13.1
Business failures, number.....	— 6.7	—41.7	— 3.4
Business failures, liabilities.....	—60.1	—55.1	40.9
Loans, 52 member banks.....	Even	15.4	.....
Investments, 52 member banks.....	3.3	9.5	.....
Adjusted dem. depts., 52 member banks.....	0.6	4.2	.....
Time deposits, 52 member banks.....	1.2	0.5	.....
Savings deposits, 45 selected banks.....	1.2	2.3	.....
Savings accounts, 45 selected banks.....	0.1	1.4	.....
<b>Distribution</b>			
Wholesalers' sales, 5 lines combined.....	7.0	16.8	10.5
Retailers' sales, 31 department stores.....	— 8.6	11.0	9.7
Lumber sales, 158 retail yards.....	— 5.2	27.1	45.8
Life insurance, written.....	5.6	10.4	— 4.0
<b>Construction</b>			
Building permits in 18 cities, value.....	10.3	44.4	92.1
<b>Production</b>			
Flour.....	2.3	4.5	— 3.4
Crude petroleum.....	— 7.4	5.1	7.8
Soft coal.....	2.1	—12.3	15.9
Zinc ore (shipped) Tri-State district.....	— 6.1	28.6	36.8
Lead ore (shipped) Tri-State district.....	2.0	298.6	55.1
<b>Grain receipts, 5 markets</b>			
Wheat.....	365.5	252.4	74.8
Corn.....	41.1	57.8	50.1
Oats.....	49.7	419.9	100.9
<b>Live stock receipts, 6 markets</b>			
Cattle.....	14.6	32.1	2.6
Calves.....	12.1	18.3	—12.7
Hogs.....	15.8	62.4	19.3
Sheep.....	—23.8	—17.7	— 5.0
Horses and mules.....	—40.6	—41.2	—21.9
<b>Meat packing, 6 markets</b>			
Cattle.....	16.8	35.0	16.8
Calves.....	29.8	22.5	— 7.4
Hogs.....	17.5	66.6	21.6
Sheep.....	— 2.1	—12.4	— 7.9
<b>Stocker and feeder shipments, 4 markets</b>			
Cattle.....	—10.2	13.1	—18.6
Calves.....	—18.0	— 8.7	—44.3
Hogs.....	16.6	— 8.6	—31.4
Sheep.....	—46.4	89.8	22.1

loans for commercial, industrial, and agricultural purposes. Investments increased 3.3 per cent during the four weeks to a level 9.5 per cent above a year ago, reflecting chiefly further increases in holdings of United States Government direct obligations. Reserves with the Federal Reserve Bank, which had shown a fractional decrease in May, decreased further during the forepart of June but subsequently increased to a level on July 8 higher than for any reporting date since May 15, 1935.

Adjusted demand deposits continued to increase between June 10 and July 8 and at the close of the four-week period were 4.2 per cent greater than one year earlier. Balances held for domestic banks, which had declined in May and early June, increased substantially during the four weeks to a level 28.6 per cent above that of July 10, 1935. Time deposits and United States Government deposits also showed increases during the four weeks and during the year.

The principal resource and liability items of the consolidated weekly condition statements of the fifty-two reporting banks, for the three dates of comparisons:

	July 8, 1936	June 10, 1936	July 10, 1935
Loans and investments—total.....	\$672,229,000	\$658,002,000	\$603,476,000
Loans and discounts—total.....	226,654,000	226,572,000	196,468,000
Secured by stocks and bonds.....	49,612,000	50,003,000	47,104,000
All other loans and discounts.....	177,042,000	176,569,000	149,364,000
Investments—total.....	445,575,000	431,430,000	407,008,000
U. S. securities direct.....	264,413,000	254,448,000	238,500,000
Obligations fully guaranteed by the U. S. Government.....	47,756,000	44,941,000	46,149,000
Other securities.....	133,406,000	132,041,000	122,359,000
Reserves with F. R. Bank.....	124,069,000	113,478,000	119,748,000
Demand deposits—adjusted.....	458,480,000	455,602,000	439,993,000
Time deposits.....	146,313,000	144,512,000	145,554,000
U. S. Government deposits.....	23,056,000	17,973,000	7,742,000
Inter-bank deposits:			
Domestic banks.....	414,941,000	352,182,000	322,598,000
Foreign banks.....	168,000	132,000	108,000

### Reserve Bank Operations

Holdings of bills discounted for member banks had declined by July 8 to a new low level and holdings of bills purchased continued in small volume. Industrial advances increased slightly between June 10 and July 8 but at the close of the four-week period were below a year ago. The total of industrial loans and commitments to make loans, however, declined during the four weeks but showed a fractional increase compared to the total for the corresponding date of last year. Holdings of United States Government securities increased 5.2 per cent from June 10 to July 8 to a level 14.8 per cent above that of July 10, 1935. The increase during the four weeks reflected a reallocation of Government securities in the open market account of the Federal Reserve System by which the portfolio of this bank was increased by \$6,082,800.

Federal Reserve note circulation increased to a new high level on July 8, reflecting in part seasonal factors and the demand for currency in connection with the cashing of checks and adjusted service bonds by veterans. Member banks' reserve deposits increased 7.4 per cent between June 10 and July 8 but on the latter date were slightly below July 10, 1935.

The principal resource and liability items of the weekly condition statements of the Federal Reserve Bank of Kansas City and branches, for the three dates of comparison:

	July 8, 1936	June 10, 1936	July 10, 1935
Total reserves.....	\$242,239,348	\$234,135,285	\$212,970,281
Bills discounted.....	55,591	253,618	64,543
Bills purchased.....	86,592	86,584	126,615
Industrial advances.....	1,006,311	992,495	1,160,227
U. S. securities.....	122,927,000	116,844,200	107,044,200
Total bills and securities.....	124,256,494	118,357,897	108,395,585
Total resources.....	408,754,700	387,064,972	356,686,615
F. R. notes in circulation.....	152,086,825	143,359,295	122,596,670
Member banks' reserve deposits.....	185,890,129	173,017,777	190,783,352

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

### Reserve Bank Check Collections

The dollar volume of check collections through this bank and branches during June was substantially greater than in May or in June of last year, reflecting in part check clearings incident to the payment of the bonus. Check collections for the first

half of 1936 increased 13.1 per cent in dollar volume and 14.4 per cent in the number of items handled compared to the first half of 1935.

Check collections through the Federal Reserve Bank of Kansas City and branches at Omaha, Denver, and Oklahoma City:

	ITEMS		AMOUNT	
	1936	1935	1936	1935
June.....	6,646,134	5,054,843	\$1,212,872,000	\$ 833,638,000
May.....	5,846,590	5,194,074	835,298,000	853,482,000
Six months.....	35,575,772	31,085,341	5,461,634,000	4,830,662,000

### Bank Debits

Debits by banks to individual accounts in twenty-nine reporting cities in the District during the four weeks ended July 1 were 6.4 per cent greater than in the preceding four weeks and 11.4 per cent greater than in the corresponding four weeks of last year. Check payments for the first half of 1936 exceeded the total for the first half of 1935 by 11.7 per cent.

### PAYMENTS BY CHECK

(In thousands of dollars—000 omitted)

	FOUR WEEKS ENDED		TWENTY-SIX WEEKS ENDED	
	July 1, 1936	July 3, 1935	July 1, 1936	July 3, 1935
Albuquerque, N. M.....	\$ 11,250	\$ 10,967	\$ 67,479	\$ 60,303
Atchison, Kans.....	3,581	3,562	19,117	19,805
Bartlesville, Okla.....	25,441	21,896	146,043	129,397
Casper, Wyo.....	5,456	4,352	30,657	25,766
Cheyenne, Wyo.....	6,649	6,239	43,382	38,964
Colorado Springs, Colo.....	12,262	12,273	84,426	69,765
Denver, Colo.....	149,739	131,731	920,959	805,852
*Emporia, Kans.....	2,981	.....	19,844	.....
Enid, Okla.....	9,321	8,412	51,134	49,008
Fremont, Nebr.....	2,845	2,550	15,899	14,323
Grand Junction, Colo.....	2,906	1,987	16,975	13,377
Guthrie, Okla.....	1,497	1,423	9,931	9,322
Hutchinson, Kans.....	12,248	10,072	63,619	68,626
Independence, Kans.....	2,591	2,164	14,426	12,760
Joplin, Mo.....	8,184	7,437	54,806	47,234
Kansas City, Kans.....	12,655	10,919	75,759	68,302
Kansas City, Mo.....	274,291	260,890	1,703,177	1,626,574
Lawrence, Kans.....	3,585	2,995	20,275	18,398
Lincoln, Nebr.....	27,086	24,853	158,543	152,703
Muskogee, Okla.....	7,244	6,273	46,682	38,667
Oklahoma City, Okla.....	91,927	89,181	558,942	479,277
Okmulgee, Okla.....	2,804	2,455	17,532	15,471
Omaha, Nebr.....	140,559	121,080	870,869	750,510
Pittsburg, Kans.....	3,606	2,967	23,206	20,643
Pueblo, Colo.....	14,174	12,388	86,949	79,232
Salina, Kans.....	8,820	6,885	45,842	46,018
St. Joseph, Mo.....	23,288	23,025	164,510	155,757
Topeka, Kans.....	15,755	14,640	97,599	94,568
Tulsa, Okla.....	125,231	102,361	747,456	600,477
Wichita, Kans.....	43,898	35,667	262,516	234,796
Total 29 cities.....	\$ 1,048,893	\$ 941,644	\$ 6,418,530	\$ 5,745,895
Total 273 cities, U. S.....	36,731,841	33,437,356	227,133,766	197,461,227

\*Not included in totals.

### Savings

Savings deposits at forty-five selected banks in leading cities of the District increased slightly from June 1 to July 1, while the number of savings accounts showed little change. Savings deposits on July 1 were 2.3 per cent and the number of accounts 1.4 per cent greater than on July 1, 1935.

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

	Savings Accounts	Savings Deposits
July 1, 1936.....	408,579	\$127,179,187
June 1, 1936.....	408,071	125,672,748
July 1, 1935.....	402,987	124,322,714

### Failures

Commercial failures in the Tenth District during June were smaller in number and in the amount of liabilities involved than in the preceding month or in June of last year. The number

RETAIL TRADE AT 31 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT  
In Percentages of Increase or Decrease

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED		
	June 1936	Year 1936	June 30, 1936	June 30, 1935	June		Year		June 30, 1936		June 1936		
	compared to June 1935	compared to Year 1935	compared to May 31, 1936	compared to June 30, 1935	1936	1935	1936	1935	compared to May 31, 1936	June 30, 1935	May 1936	June 1935	
Kansas City.....	4	5.8	9.3	- 1.3	9.0	.28	.28	1.89	1.65	- 9.9	14.7	11.3	18.7
Denver.....	4	11.9	11.9	- 9.1	3.4	.34	.31	1.84	1.73	1.2	5.9	0.2	14.5
Oklahoma City....	3	25.9	10.5	- 9.6	3.9	.37	.31	2.16	2.05	- 0.3	11.0	- 0.6	16.1
Tulsa.....	3	10.7	10.5	- 3.4	13.4	.35	.35	2.16	2.10	- 7.5	4.7	3.5	24.7
Wichita.....	3	11.8	6.0	- 9.1	- 6.8	.29	.24	1.72	1.66	0.9	4.5	- 8.3	1.8
Other cities.....	14	8.7	8.3	- 4.4	0.8	.26	.24	1.57	1.44	- 3.7	8.3	10.7	19.9
Total.....	31	11.0	9.7	- 5.7	4.3	.31	.28	1.83	1.69	- 2.9	8.4	4.4	16.7

NOTE: Percentage of collections in June on open accounts May 31, all stores reporting, 46.7. Collections same month last year, 43.9.

of defaults during the first six months of the year was below that for the first six months of 1935, but there was an increase in the amount of liabilities owing to increases during January and March of this year.

Business failures reported by Dun and Bradstreet, Incorporated:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
June 1936.....	28	\$ 97,000	773	\$ 9,177,000
May 1936.....	30	243,000	832	15,375,000
June 1935.....	48	216,000	944	12,918,000
Six months 1936.....	229	2,883,000	5,314	87,173,000
Six months 1935.....	237	2,046,000	6,073	88,967,000

Life Insurance

Sales of new paid-for ordinary life insurance in the seven states in the District increased further during June and for the second time this year were larger than in the corresponding month of 1935. Sales for the first six months of 1936, however, were 4 per cent below sales for the first six months of 1935.

Life insurance sales reported to the Life Insurance Sales Research Bureau by companies representing 90 per cent of the total legal reserve ordinary life insurance outstanding in the United States, in thousands of dollars:

	June	May	June	Six Months
	1936	1936	1935	1936
Colorado.....	\$ 4,919	\$ 4,067	\$ 4,384	\$ 26,220
Kansas.....	4,692	4,836	4,686	28,452
Missouri.....	16,153	14,982	14,641	88,146
Nebraska.....	5,008	5,330	4,048	26,393
New Mexico.....	858	878	637	5,008
Oklahoma.....	5,998	5,505	5,627	34,504
Wyoming.....	790	776	790	4,965
Seven states.....	\$ 38,418	\$ 36,374	\$ 34,813	\$ 213,688
United States.....	532,994	503,530	490,268	3,007,255

Trade

RETAIL: The dollar volume of sales at thirty-one reporting department stores in leading cities of the District declined by somewhat less than the usual seasonal amount during June, reflecting in part a continued good demand for seasonal merchandise and the distribution of checks and adjusted service bonds to veterans. The volume of sales during June and during the first six months of this year was at the highest level since 1931, exceeding sales in June and the first six months of 1935 by 11 and 9.7 per cent, respectively.

Stocks of merchandise declined further between May 31 and June 30 but were 4.3 per cent larger at the close of June than one year earlier. Collections on open accounts during June averaged 46.7 per cent of accounts receivable at the close of the preceding month, compared to collection ratios of 45.6 per cent in May and 43.9 per cent in June of last year. Collections on installment accounts averaged 16.1 per cent in June, 15.2 per cent in May, and 14.5 per cent in June, 1935.

WHOLESALE: The combined dollar volume of five representative wholesale lines reporting to this bank increased 7 per cent, or somewhat more than the usual amount, from May to June and was 16.8 per cent greater than in June, 1935. The combined sales volume for the first six months of 1936 was 10.5 per cent above that for the first six months of 1935, with sales of dry goods increasing 5.8, groceries 3.7, hardware 18.6, furniture 17.9, and drugs 12 per cent during the six-month period.

Stocks of merchandise of the five lines combined declined 3 per cent from May 31 to June 30 but at the end of June were fractionally larger than on June 30, 1935. All lines except drugs showed a decrease in stocks during the month and all lines except groceries an increase in stocks during the year.

Lumber

Sales of lumber in board feet at 158 reporting retail yards in the District, following a decrease in May, declined 5.2 per cent further in June but were 27.1 per cent larger than in June, 1935. Dollar sales of all materials showed a similar trend. Sales in board feet for the first half of 1936 exceeded sales during the first half of 1935 by 45.8 per cent.

Stocks and outstandings showed little change between May 31 and June 30 at a level well above a year ago. Collections during June averaged 43.5 per cent of amounts receivable at the close of the preceding month, approximately the same ratio as in May but somewhat better than the ratio of 34.9 per cent in June, 1935.

June business at the 158 reporting yards, in percentages of increase or decrease (—):

	June 1936 compared to	
	May 1936	June 1935
Sales of lumber, board feet.....	- 5.2	27.1
Sales of all materials, dollars.....	- 4.9	33.0
Stocks of lumber, board feet.....	0.1	20.5
Outstandings, end of month.....	0.1	28.1

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT  
In Percentages of Increase or Decrease

	Stores Reporting	SALES		OUTSTANDINGS		AMOUNTS COLLECTED		STOCKS	
		June 1936	June 1935	June 30, 1936	June 30, 1935	June 1936	June 1935	June 30, 1936	June 30, 1935
		compared to May 1936	compared to June 1935	compared to May 31, 1936	compared to June 30, 1935	compared to May 1936	compared to June 1935	compared to May 31, 1936	compared to June 30, 1935
Dry goods.....	5	3.9	16.3	2.6	3.5	4.4	14.6	- 1.5	2.9
Groceries.....	5	2.1	7.6	- 5.9	- 7.6	12.0	19.2	- 5.0	- 6.6
Hardware.....	8	11.9	26.6	1.8	3.1	14.8	37.8	- 3.1	2.0
Furniture.....	3	15.8	31.4	- 0.5	22.6	26.2	37.9	- 14.1	1.1
Drugs.....	7	8.7	17.9	1.7	5.5	- 0.5	17.8	2.1	8.3

The National Lumber Manufacturers Association reported that lumber production in the United States for the current year to June 27 was 45 per cent above production for the same period in 1935. Lumber shipments and lumber orders booked were 29 and 22 per cent, respectively, above shipments and orders booked a year ago.

### Building

Permits and expenditures for construction in eighteen cities in the District, after declining in May, increased during June and continued at the highest level for permits since 1930 and for expenditures since 1931, both during June and during the first six months of this year. June permits were 13.1 per cent and expenditures were 44.4 per cent larger than a year ago, with permits up 16.3 and expenditures up 92.1 per cent during the six months.

#### BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1936	1935	1936	1935
Albuquerque, N. M.	87	74	\$ 453,830	\$ 72,848
Cheyenne, Wyo.	66	45	58,142	113,531
Colorado Springs, Colo.	51	29	48,700	26,645
Denver, Colo.	488	363	638,673	425,351
Hutchinson, Kans.	69	133	35,514	34,866
Joplin, Mo.	34	11	27,175	5,600
Kansas City, Kans.	40	36	23,710	18,830
Kansas City, Mo.	224	333	320,900	436,500
Lincoln, Nebr.	177	148	131,361	70,923
Oklahoma City, Okla.	225	133	418,605	255,875
Omaha, Nebr.	122	109	218,555	189,857
Pueblo, Colo.	65	51	37,920	11,707
Salina, Kans.	24	17	66,860	25,760
Shawnee, Okla.	15	11	13,990	17,600
St. Joseph, Mo.	48	19	33,760	37,600
Topeka, Kans.	81	64	108,670	100,560
Tulsa, Okla.	110	89	201,155	178,268
Wichita, Kans.	186	203	221,879	96,319
Total 18 cities, June	2,112	1,868	\$ 3,059,399	\$ 2,118,640
Total 18 cities, May	2,014	1,681	2,773,226	2,237,949
Total 18 cities, 6 months	10,107	8,691	18,443,057	9,601,201

### Flour Milling

Flour milling operations in the District were increased from 57.8 per cent of full-time capacity in May to 59.1 per cent in June, and production increased 2.3 per cent. June production was but 1 per cent below the average for the month during the past ten years and exceeded the output in June, 1935, by 4.5 per cent. Production for the first six months of this year and for the wheat year ended June 30, however, declined by about 3 per cent compared to production for the first six months of 1935 and for the wheat year ended June 30, 1935.

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

	June 1936	May 1936	June 1935	Wheat Year 1935-1936	Wheat Year 1934-1935
Atchison	120,473	115,695	111,006	1,359,191	1,373,469
Kansas City	502,564	476,930	488,360	5,909,235	6,022,659
Salina	172,453	153,627	138,076	1,890,818	1,795,515
Wichita	153,743	152,022	154,618	1,761,207	1,855,662
Outside	885,999	894,875	864,001	11,156,120	11,783,669
Total	1,835,232	1,793,149	1,756,061	22,076,571	22,831,004
*United States	5,069,608	5,004,892	4,832,632	63,748,108	63,131,547

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

Flour trade in the southwest improved during June as prices advanced with the upturn in the wheat market. The bulk of new business consisted in small lots for nearby shipment, with an increasingly large proportion of the orders for new crop flour. Shipping directions on old contracts, many of which were taken at lower price levels, became more plentiful as the

month progressed, but the volume of unfilled orders at the close of June was reported moderately large. Flour prices at the Kansas City market reached their peak for the crop year last October, when wheat was at the high point and the processing tax was in effect, and subsequently declined to the low level of the crop year in May and June. Millfeed prices, influenced by relatively small supplies, higher grain prices, and a broad demand consequent to deteriorating pasturage and Government purchases of bran for grasshopper poison, reached the high level of the year in June.

### Grain Marketing

The movement of wheat, corn, oats, and kafir to the five principal markets in the District increased during June, while the movement of rye and barley declined. A sharp increase in receipts of wheat reflected the rapid progress of harvesting and an earlier than normal volume marketing of the new crop. Marketings of all grains during June and the first half of 1936 were substantially heavier than a year ago and were generally above the average for these periods during the past ten years. Receipts of wheat, however, represented but 63 per cent of the ten-year average for the six-month period. Marketings for the crop year ended June 30 showed increases over the extremely light receipts of the preceding year for all grains except corn, receipts of which included heavy shipments from Iowa on contract during the crop year ended June 30, 1935.

Receipts of the principal grains at the five markets:

	Wheat Bushels	Corn Bushels	Oats Bushels
Hutchinson	3,415,500	1,250	4,500
Kansas City	5,348,800	2,256,000	566,000
Omaha	535,333	1,713,600	342,000
St. Joseph	230,400	595,500	252,000
Wichita	4,522,500	10,400	.....
June 1936	14,052,533	4,576,750	1,164,500
May 1936	3,018,785	3,244,500	778,000
June 1935	3,987,563	2,899,600	224,000
Six months 1936	32,065,210	22,792,168	6,321,500
Six months 1935	18,338,706	15,185,060	3,146,500
Crop year 1935-1936	116,189,584	36,907,918	19,529,500
Crop year 1934-1935	71,907,509	53,408,810	8,142,000

Despite heavier receipts, cash grain prices at the Kansas City market advanced during June and increased sharply early in July in response to unfavorable crop reports as the hot, dry weather continued.

Cash grain prices at Kansas City:

	July 15 1936	June 30 1936	May 29 1936	July 15 1935	June 29 1935	June 30 1934
No. 1 hard, dk. wheat, bu.	\$1.08	\$.94½	\$.88	\$.89	\$.88½	\$.87½
No. 2 mixed corn, bu.	.87¾	.65½	.60½	.86	.84½	.58
No. 2 white oats, bu.	.39½	.32	.25½	.35	.41½	.43
No. 2 rye, bu.	.73	.59	.52	.53	.59	.67
No. 2 barley, bu.	.68	.52	.45	.48	.54	.58
No. 2 kafir, cwt.	1.39	1.23	1.10	1.40	1.80	1.00

### Crops

Crop prospects, which had improved materially in nearly all parts of the District in May and the forepart of June, declined rapidly after mid-June because of extreme high temperatures, a shortage of moisture supplies, and insect infestation. In Wyoming the unfavorable weather conditions which had prevailed in May continued in June and early July. Drought had already reduced the production of small grains and early hay crops, and considerable abandonment of spring wheat and other crops appeared to be imminent as the moisture shortage continued. By the third week in July, the early corn crop had deteriorated to a point where much of it was practically beyond recovery. Fruit prospects were poor because of winter injury

ESTIMATED PRODUCTION OF LEADING FARM CROPS IN THE UNITED STATES AND THE TENTH FEDERAL RESERVE DISTRICT  
From Reports of the United States Department of Agriculture, in Thousands of Units, 000 Omitted

	WINTER WHEAT		SPRING WHEAT		CORN		OATS		BARLEY		POTATOES		TAME HAY	
	July Est.	Yield	July Est.	Yield	July Est.	Yield	July Est.	Yield	July Est.	Yield	July Est.	Yield	July Est.	Yield
Colorado.....	1936	1935	1936	1935	1936	1935	1936	1935	1936	1935	1936	1935	1936	1935
Kansas.....	5,460	2,380	5,188	4,152	13,234	10,761	4,335	4,480	5,936	6,420	13,130	18,000	1,771	1,712
Missouri.....	130,650	63,947	78	108	61,325	39,420	29,133	40,810	3,861	3,640	2,145	2,325	1,531	1,915
Nebraska.....	27,776	25,562	99	86	110,088	72,890	26,384	29,502	1,292	1,292	2,750	4,524	1,837	2,553
New Mexico.....	44,070	35,620	1,692	3,055	179,576	106,630	33,285	72,704	8,450	15,180	6,955	10,080	1,991	2,629
Oklahoma.....	1,001	1,155	220	308	3,500	2,700	475	546	120	161	469	420	255	241
Wyoming.....	26,992	33,080	.....	.....	12,252	25,872	20,640	35,825	810	1,568	1,920	2,730	632	748
Seven states.....	917	1,309	1,380	1,397	924	2,260	1,680	2,730	1,008	1,470	1,798	2,610	783	1,015
Tenth District.....	236,866	163,053	8,657	9,106	380,899	260,533	115,932	186,597	21,477	29,731	29,167	40,689	8,800	10,813
United States.....	214,027	141,955	8,483	8,915	291,776	200,468	93,646	161,035	.....	.....	26,714	36,742	7,138	8,578
	512,085	464,203	126,314	159,241	2,244,834	2,291,629	805,420	1,196,668	164,866	282,226	315,359	387,678	65,743	76,146

and late spring frosts. The acreage for harvest and the indicated total crop production on July 1 were above that of last year, owing largely to increases shown for winter wheat and corn. The indicated production of most other crops was below that of 1935.

Estimates of the United States Department of Agriculture on July 1, shown in the accompanying tables, indicated a total wheat crop in the seven states in the District 43 per cent larger than in 1935 but 27 per cent below the average during the years 1928 to 1932, a corn crop 46 per cent larger than last year but 34 per cent short of the five-year average, and an oats crop 38 per cent below that of last year and 34 per cent below the average. These estimates, however, do not allow for the severe decline in corn prospects which has taken place since July 1 and which will no doubt greatly reduce production below the July 1 estimate. The farm carry-over of wheat in the District on July 1 was about one-half and of corn about one-third the average amounts so held on that date during the years 1928 to 1932, while stocks of oats sharply exceeded the average.

Live Stock

MARKETINGS: Receipts of cattle, calves, and hogs at the six principal markets in the District, including direct shipments of hogs to packers, were larger in June than in May or in June of last year, while marketings of sheep declined. Hog receipts, although larger than a year ago, represented but 49.2 per cent of the average volume for June during the past ten years, while cattle represented 99.4 and sheep 82.8 per cent of the average and calves exceeded the average by 8.2 per cent.

Marketings for the first six months of 1936 showed an increase in the number of cattle and hogs and a decrease in the number of calves and sheep compared to last year but approximately the same proportions of normal as during the month of June. Receipts of horses and mules totaled 3,672 in June, or 20 per cent less than the ten-year average number, 6,179 head in May, and 6,250 head in June, 1935.

PRICES: Hog prices at the Kansas City market advanced 80 cents per hundredweight on the principal killing classes during June to close \$1.20 to \$1.40 above the level of December 31, 1935, reflecting exceptionally light market supplies during the six months just ended and the removal of the processing tax early in January. At the end of June, hog values were 15 cents below the peak of \$10.75 reached in February but were above the high point during the first six months of last year. Prices of prime heavy beef steers were strong to 25 cents higher during June but had declined steadily since the first of the year recording a net loss of from \$2 to \$4. The top price this year was \$12.50 in January compared to a top of \$14.25 reached in April of last year. The continued hot, dry weather forced stocker and feeder cattle values down sharply in June to the lowest level since January, 1935, and caused a surplus of medium and unfinished lambs on the market. Lamb prices consequently declined about \$2 for the month to a level which was \$1 to \$1.15 below that at the close of last December and \$2.60 below the six-year peak of \$12.35 reached in April of this year. Sheep prices showed the usual late spring decline as old, unproductive ewes were culled from flocks and marketed. All live stock values weakened somewhat the forepart of July.

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

	ACREAGE FOR HARVEST				PRODUCTION					
	SEVEN STATES		UNITED STATES		SEVEN STATES			UNITED STATES		
	July 1	Revised	July 1	Revised	Indicated	Harvested	5-Yr. Av.	Indicated	Harvested	5-Yr. Av.
All wheat, bu.....	1936	1935	1936	1935	July 1, 1936	1935	1928-1932	July 1, 1936	1935	1928-1932
Winter wheat, bu.....	20,393	16,306	51,059	51,348	245,523	172,159	334,112	638,399	623,444	863,564
Spring wheat, bu.....	19,516	15,320	37,875	33,353	236,866	163,053	324,606	512,085	464,203	622,252
Corn, bu.....	877	986	13,184	17,995	8,657	9,106	9,506	126,314	159,241	241,312
Oats, bu.....	22,801	19,938	98,517	95,333	380,899	260,533	575,646	2,244,834	2,291,629	2,553,424
Barley, bu.....	6,931	7,151	34,440	39,924	115,932	186,597	176,977	805,420	1,196,668	1,215,102
Rye, bu.....	1,672	1,509	8,827	12,243	21,477	29,731	38,839	164,866	282,226	281,237
Flaxseed, bu.....	584	653	3,015	4,196	4,656	7,209	3,820	26,380	58,928	38,212
Tame hay, tons.....	52	68	1,698	2,014	224	390	406	9,468	14,123	15,996
Wild hay, tons.....	8,131	7,617	56,341	53,672	8,800	10,813	11,055	65,743	76,146	69,533
Alfalfa hay, tons.....	4,639	4,789	11,563	12,300	2,925	4,325	4,077	7,545	11,338	10,719
Clover and timothy, tons.....	3,719	3,697	14,333	13,781	5,467	6,681	6,329	26,939	28,726	23,605
White potatoes, bu.....	1,932	1,568	22,425	20,230	1,431	1,701	2,606	22,677	26,263	30,545
Sweet potatoes, bu.....	364	389	3,217	3,551	29,167	40,689	40,452	315,359	387,678	372,115
Dry beans, 100 lb. bags.....	37	39	890	970	2,252	2,800	2,805	63,806	83,198	66,368
Sugar beets, short tons.....	588	637	1,732	1,843	1,681	2,093	2,290	11,685	13,799	11,858
Tobacco, lbs.....	296	231	819	763	3,472	2,976	4,052	8,819	7,908	8,118
Apples, bu.....	6	4	1,472	1,437	3,715	4,150	5,836	1,113,764	1,296,810	1,427,174
Peaches, bu.....	.....	.....	.....	.....	3,914	8,910	7,220	103,214	167,283	161,333
Pears, bu.....	.....	.....	.....	.....	1,370	3,639	2,263	41,260	52,808	56,451
	.....	.....	.....	.....	484	1,365	996	23,264	22,035	23,146

## JUNE 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.....	81,262	19,271	*141,332	102,673	21,023	3,217	3,618	27,666	46,052	17,289	*128,277	69,221
Omaha.....	128,626	7,520	140,288	91,549	11,500	1,248	1,020	14,679	82,001	6,086	119,762	69,079
St. Joseph.....	24,465	5,914	57,690	62,619	2,651	296	814	2,051	18,403	5,615	53,888	58,166
Denver.....	27,325	4,001	32,665	154,043	3,107	1,184	129	9,508	15,279	2,868	24,052	26,551
Oklahoma City.....	37,815	12,086	26,214	14,398	.....	.....	.....	.....	26,855	8,671	22,730	12,798
Wichita.....	16,126	3,840	19,856	12,648	.....	.....	.....	.....	8,464	3,932	18,151	12,116
June 1936.....	315,619	52,632	418,045	437,930	38,281	5,945	5,581	53,904	197,054	44,461	366,860	247,931
May 1936.....	275,356	46,952	360,911	574,470	42,618	7,249	4,787	100,498	168,669	34,245	312,247	253,305
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
Six months 1936.....	1,920,215	318,424	2,608,440	3,343,018	314,074	38,945	25,235	302,565	1,149,128	256,480	2,198,434	1,813,642
†Six months 1935.....	1,871,989	364,805	2,185,542	3,517,839	386,075	69,861	36,803	247,799	983,503	276,988	1,807,697	1,970,030

\*Includes 93,084 hogs shipped direct to packers' yards. †Receipts include Government purchases of cattle and calves.

**STOCKERS AND FEEDERS:** The countryward movement of stocker and feeder cattle, calves, and sheep from four markets in the District declined during June, while shipments of hogs, although but half the average volume for the month during the past ten years, showed an increase. June shipments of cattle represented 86.4, calves 100, and sheep 93.1 per cent of the average. Shipments of cattle and sheep were heavier than a year ago, but sheep was the only species to show an increase for the first half of 1936 over shipments for the first half of 1935. The outward movement of cattle during the six-month period represented 82.6, calves 86.7, hogs 35.7, and sheep 77.9 per cent of the ten-year average.

**PIG CROP REPORT:** An increase of 40.2 per cent in the spring pig crop and prospective increases of 4.6 per cent in the number of sows to farrow in the fall and of 24.1 per cent in total farrowings for 1936 as compared to last year were indicated for this District by the June 1 survey of the Department of Agriculture. Production, however, was still substantially below the average for the years 1932 and 1933. In the United States, the spring crop increased 29.4 per cent, with fall farrowings expected to increase 14.4 per cent and total farrowings for the year 23.9 per cent compared to 1935.

The number of pigs saved and sows farrowed or to be farrowed, reported by the Department of Agriculture, in thousands of head:

	PIGS SAVED				SOWS FARROWED			
	Spring		Fall		Spring		Fall	
	1936	1935	1935	1934	1936	1935	*1936	1935
Colorado.....	220	134	130	127	38	24	24	22
Kansas.....	1,152	836	908	562	182	135	151	151
Missouri.....	2,120	1,763	1,517	1,123	336	275	265	252
Nebraska.....	3,033	1,945	947	510	508	328	173	165
New Mexico.....	49	33	38	28	9	6	7	7
Oklahoma.....	700	486	532	376	118	84	101	92
Wyoming.....	54	31	10	13	9	6	2	2
Seven states.....	7,328	5,228	4,082	2,739	1,200	858	723	691
United States.....	41,884	32,380	22,694	17,068	7,028	5,385	4,310	3,766

\*Number indicated to farrow from breeding intentions reports.

The marked improvement in ranges and pastures during May was followed by deterioration during June because of hot, dry weather and damage from grasshoppers. Ranges in western Nebraska declined 13, western Kansas 6, Colorado 5, Oklahoma 12, and New Mexico 2 condition points between June 1 and July 1, while in Wyoming, where ranges had declined 16 points in May, there was a further decrease of 8 points. Range feed was reported good in the mountain areas in the District and in the Sandhills of Nebraska, but severe drought conditions prevailed in Wyoming and there was a serious shortage of moisture in the central and southern Great Plains areas. Cattle and sheep, however, were generally in good condition on July 1 except in the extremely dry areas. There was a heavy movement of cattle from the drought section of Wyoming and a few had been moved from sections of Kansas and Oklahoma.

Contracting of lambs was active during June. Shearing was about completed in the District by July 1 and the new domestic clip has moved out of growers' hands very rapidly during the past two months.

## Meat Packing

Operations at meat packing establishments in the District, as reflected by packers' purchases of live stock at the six principal market centers, direct shipments of hogs included, were somewhat heavier during June in the beef, veal, and swine divisions than in May or in June of last year, while sheep slaughter declined. Purchases for the first six months of 1936 indicated an increase in the slaughter of cattle and hogs and a decrease in the slaughter of calves and sheep. The slaughter of cattle during June and during the six months equaled the average for those periods during the past ten years and calf slaughter exceeded the average by about 13 per cent. Hog slaughter, however, was only about half and sheep slaughter about three-fourths of the average volume.

The national totals of Federally inspected commercial live stock slaughter in June showed increases for all species compared to May and for all species except sheep compared to June of last year. The June slaughter of cattle, calves, and sheep exceeded the ten-year average by 16.8, 20.2, and 1.7 per cent, respectively, while hog slaughter was 23.3 per cent below the average. During the first half of 1936, cattle and hog slaughter increased moderately and calf slaughter increased slightly, but sheep slaughter was slightly below that for the first half of 1935.

Live stock slaughtered under Federal meat inspection in the United States, reported by the Bureau of Agricultural Economics from compilations of the Bureau of Animal Industry:

	Cattle	Calves	Hogs	Sheep
June 1936.....	853,229	517,019	2,758,585	1,308,683
May 1936.....	785,516	502,933	2,579,414	1,212,725
June 1935.....	669,257	439,134	1,828,279	1,420,685
Six months 1936.....	4,861,703	2,897,309	16,260,874	8,016,151
Six months 1935.....	4,229,177	2,793,171	13,792,779	8,343,896

NOTE: Slaughter for Government relief purposes excluded.

## Cold Storage Holdings

United States cold storage stocks of beef, pork, and lamb and mutton declined and stocks of lard, eggs, butter, and cheese accumulated seasonally during June. An increase in holdings of poultry and a decrease in holdings of miscellaneous meats were contrary to the seasonal trend. Net withdrawals of beef and lamb were somewhat greater and of pork somewhat smaller than normal for June, while the into-storage movement of lard, butter, and cheese was below the usual amount although holdings of lard and cheese on July 1 were above a year ago. Storage stocks of beef were 2.6, pork 35.3, lamb and mutton 39.8, miscellaneous meats 7.8, lard 24.9, cased eggs 15.5, and butter 16.3 per cent below the July 1 five-year average, but inventories of poultry were 8.6, frozen eggs 3.5, and cheese 8.5 per cent above the average.

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

	*July 1 1936	June 1 1936	July 1 1935	July 1 5-Yr. Av.
Beef, lbs.....	41,225	51,134	55,653	42,344
Pork, lbs.....	431,292	440,618	445,307	666,677
Lamb and mutton, lbs.....	1,123	1,282	2,376	1,866
Poultry, lbs.....	42,918	41,926	47,051	39,516
**Turkeys, lbs.....	12,603	12,381	13,851	7,974
Miscellaneous meats, lbs.....	56,979	57,435	52,697	61,795
Lard, lbs.....	106,892	99,656	84,680	142,398
Eggs, cases.....	7,061	5,707	7,595	8,354
Eggs, frozen (case equivalent).....	3,198	2,686	3,084	3,091
Butter, creamery, lbs.....	74,683	21,157	96,392	89,272
Cheese, all varieties, lbs.....	85,781	70,783	75,291	79,097

\*Subject to revision. \*\*Included in Poultry.

**Coal**

Bituminous coal production in the District increased 2.1 per cent from May to June but was 12.3 per cent below production in June, 1935. During the first six months of the year, production increased 15.9 per cent compared to the first six months of 1935, with all states sharing in this increase.

Bituminous coal production in the District, reported by the Bureau of Mines, in tons:

	*June 1936	May 1936	June 1935	Six Months *1936	Six Months 1935
Colo.....	290,000	284,000	304,000	3,104,000	2,568,000
Kans. & Mo.	342,000	342,000	416,000	3,298,000	3,008,000
N. M.....	107,000	99,000	103,000	738,000	658,000
Okla.....	56,000	38,000	58,000	851,000	555,000
Wyo.....	309,000	318,000	378,000	2,665,000	2,409,000

Six states..... 1,104,000 1,081,000 1,259,000 10,656,000 9,198,000  
U. S..... 29,415,000 28,541,000 30,117,000 200,212,000 189,223,000

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

**Petroleum**

Crude oil production in the District declined 7.4 per cent from May to June, reflecting in part the effort of states in the Interstate Oil Compact to reduce production to a level below that of demand in order to reduce stocks and avert a reduction in crude prices. June production was equal to the average for that month during the past ten years and exceeded the output in June, 1935, by 5.1 per cent. The daily average flow totaled 810,300 barrels in June, 846,500 barrels in May, and 771,200 barrels a year ago. Production for the first half of 1936 increased 7.8 per cent compared to the first half of 1935.

Mid-continent crude oil prices have remained unchanged since January 9 at schedules ranging from 86 cents to \$1.18 per barrel according to gravity. This is an increase of 10 cents over the price level prevailing in 1935. Refinery operations during

June were at the highest level in five years and field operations continued active. Completed wells in the District for the current year to July 4 totaled 2,376 compared to 1,722 during the same period of last year.

The gross production of crude petroleum, estimated from the weekly reports of the American Petroleum Institute for June, 1936, and officially reported by the Bureau of Mines for all previous months:

	June 1936 Barrels	May 1936 Barrels	June 1935 Barrels	6 Mos. 1936 Barrels	6 Mos. 1935 Barrels
Oklahoma.....	16,493,000	17,842,000	15,528,000	99,400,000	91,990,000
Kansas.....	4,378,000	4,823,000	4,607,000	27,403,000	27,137,000
Wyoming.....	1,105,000	1,101,000	1,206,000	6,585,000	6,516,000
Colorado.....	142,000	142,000	115,000	820,000	773,000
New Mexico.....	2,191,000	2,331,000	1,680,000	12,560,000	9,720,000
Total.....	24,309,000	26,239,000	23,136,000	146,768,000	136,136,000
United States.....	88,617,000	93,739,000	82,338,000	534,343,000	476,185,000

**Zinc and Lead**

Shipments of zinc ore from Tri-State mines and tailing mills declined further during the four weeks ended June 27 while deliveries of lead ore showed a slight further increase. Production declined somewhat during the four weeks but surplus stocks of zinc in bins at the middle of June were at the highest level since the opening week of 1933. Shipments continued well above a year ago when operations were being resumed following a strike of mine, mill, and smelter workers and for the first half of 1936 showed increases of 36.8 per cent in zinc shipments and 55.1 per cent in lead shipments over the first half of 1935 despite severe winter weather early this year and recent declines in demand.

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

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	15,770	\$ 504,640	2,307	\$ 115,350
Kansas.....	10,746	343,872	905	45,250
Missouri.....	2,904	92,928	288	14,400
4 Weeks ended June 27, 1936.....	29,420	\$ 941,440	3,500	\$ 175,000
4 Weeks ended May 30, 1936.....	31,330	1,002,560	3,430	171,500
4 Weeks ended June 29, 1935.....	22,876	629,358	878	33,796
26 Weeks ended June 27, 1936.....	221,040	7,071,680	25,189	1,237,050
26 Weeks ended June 29, 1935.....	161,591	4,227,965	16,244	567,232

Prices at the Joplin market were unchanged during the four weeks at \$32 per ton for zinc and \$50 per ton for lead compared to \$28 and \$40, respectively, at the close of June last year. During the first half of 1936, zinc prices averaged \$32 per ton and lead prices \$49.07 per ton compared to an average of \$26.22 for zinc and \$35.38 for lead during the first half of 1935.

**National Summary of Business Conditions**

By the Board of Governors of the Federal Reserve System

Volume of production, employment, and trade was sustained in June at the May level, although usually there is a decline at this season. Wholesale prices of commodities advanced between the middle of May and the third week of July, reflecting in part the effects of the drought.

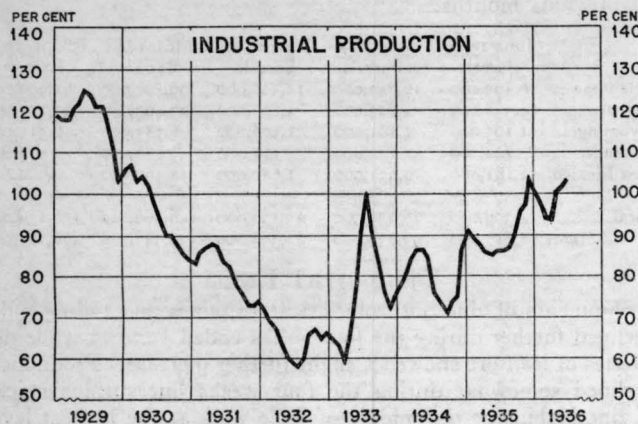
PRODUCTION AND EMPLOYMENT: The Board's seasonally adjusted index of industrial production increased from 101 per cent of the 1923-25 average in May to 103 per cent in June. Steel production continued at about 70 per cent

of capacity in June and the first three weeks of July, although a considerable decline is usual at this season. Output of automobiles declined seasonally. The cut of lumber showed a seasonal rise in June following a substantial increase in the preceding month. Production increased at woolen mills and was sustained at cotton mills where a decline is usual in June. Output of foods increased.

Factory employment and payrolls showed a slight increase between the middle of May and the middle of June, contrary

to seasonal tendency. Steel mills and plants producing machinery employed more workers, and at automobile factories there was less than the seasonal decline. At textile mills employment was unchanged, although a decline is usual in June, while the clothing industries reported a decrease in the number employed.

Total value of construction contracts awarded, as reported



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average=100. By months, January 1929 through June 1936.

by the F. W. Dodge Corporation, increased somewhat from May to June and continued to be substantially larger than a year ago. There was a further increase in residential building.

**AGRICULTURE:** Crop estimates by the Department of Agriculture on the basis of July 1 conditions indicated little change from last year for wheat and corn and considerable declines for oats, hay, potatoes, and tobacco. Since July 1 prospects have been reduced by extreme drought over wide areas. Cotton area in cultivation on July 1 was estimated by the Department of Agriculture at 30,600,000 acres compared

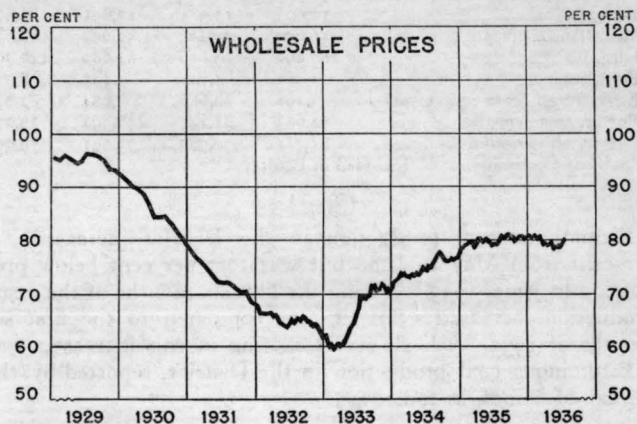


Index of number employed, adjusted for seasonal variation, 1923-1925 average=100. By months, January 1929 through June 1936.

with 27,900,000 acres last year and an average of 41,400,000 acres in the years 1928-1932.

**DISTRIBUTION:** Freight-car loadings increased seasonally in June, and the distribution of commodities to consumers was maintained at the May level. In recent months retail trade as measured by sales of automobiles and by the volume of business of department, variety, and mail order stores has expanded considerably.

**COMMODITY PRICES:** The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, advanced by about 3 per cent between the middle of May and the third week of July, following a decline of about the same amount earlier in the year. Prices of wheat, flour, feed grains, and dairy products advanced sharply, owing primarily to the drought, and there were increases also in the

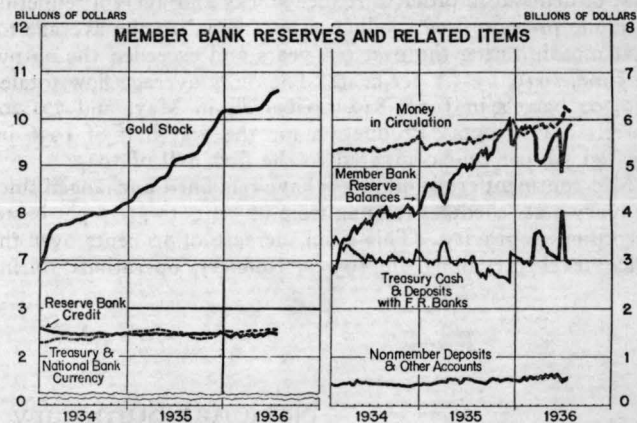


Index compiled by the United States Bureau of Labor Statistics, 1926=100. By months, 1929 to 1931; by weeks, 1932 to date. Latest figure is for week ending July 18, 1936.

prices of hogs and pork, cotton and cotton textiles, silk, rubber, copper, and finished steel.

**BANK CREDIT:** Gold imports, which had been in large volume in May and June, declined in July. Funds held by the Treasury as cash and on deposit with Federal Reserve banks declined, as the result of disbursements in connection with the cashing of veterans' service bonds. Consequently reserve balances of member banks, which had declined in June, rose once more to their previous level.

Total loans and investments of reporting member banks



Wednesday figures. January 31, 1934, through July 22, 1936.

in leading cities, after increasing sharply at the end of May and the early part of June, declined somewhat in the four weeks ending July 15, reflecting largely a reduction in loans to security brokers and dealers in New York City. Balances held for domestic banks increased by \$800,000,000 during the period, as a consequence of redeposit with reporting banks of a considerable part of funds acquired by banks through Treasury disbursements.