

Member Bank Operations

At the middle of August loans and investments of reporting member banks in the Tenth District were at the highest point of the year. The increase from the year's low in early June has resulted from a rather substantial growth in the volume of commercial, industrial, and agricultural loans and from a further increase in holdings of Government obligations during the six weeks ended August 18. The rising volume of loans reflects to a large extent grain financing incident to heavy wheat marketings. Loans are now nearly 20 per cent larger but investments are slightly smaller than a year ago because of the decline in holdings of "other" securities.

Demand and Government deposits rose between July 7 and August 18 but time deposits are smaller. Interbank deposits are also larger but are less than at the middle of July. Correspondent balances with domestic banks have declined and are sharply lower than a year ago. Reserve balances at this bank continue to increase.

Principal items of condition of 51 member banks:

	Change from		
	Aug. 18 1937	July 7 1937	Aug. 19 1936
	(In thousands of dollars)		
Loans and investments—total.....	728,995	+39,357	+41,618
Loans—total.....	290,080	+31,480	+47,717
Coml., indust., agric.....	182,206	+23,743	*
Open market paper.....	26,561	+6,037	*
To security brokers and dealers.....	4,363	+455	+10
Other to purchase or carry secur.....	14,199	-239	*
Real estate loans.....	19,605	+304	+2,109
Loans to banks.....	899	-156	-2,147
All other loans.....	42,247	+1,336	*
Investments—total.....	438,915	+7,877	-6,099
U. S. Govt. direct obligations.....	266,729	+7,307	+5,758
Oblig. guar. by U. S. Govt.....	45,849	+2,123	-2,884
Other securities.....	126,337	-1,553	-8,973
Reserve with F. R. Bank.....	177,289	+7,346	+29,363
Balances with domestic banks.....	201,183	-2,282	-85,893
Demand deposits—adjusted.....	505,958	+27,937	+19,027
Time deposits.....	143,976	-519	-2,445
U. S. Govt. deposits.....	9,504	+1,816	-12,858
Interbank deposits.....	389,620	+14,612	-21,919

*Comparable figures not available.

Reserve Bank Operations

Federal Reserve note circulation of this bank continues to rise. From this year's low of slightly less than 158 million in the latter part of March it has risen to about 167½ million in the forepart of August. There was a small decline in the week ended August 18, not unusual for that time of the month, but circulation is still better than 14¼ million higher than a year ago and about 14¾ million above that at the high point in March, 1933. Better crops, an early volume marketing of wheat at good prices, and consequent improvement in trade are factors affecting the increased demand for currency.

Principal items of condition of the Federal Reserve Bank of Kansas City and branches:

	Change from		
	Aug. 18 1937	July 7 1937	Aug. 19 1936
	(In thousands of dollars)		
Total reserves.....	314,104	+17,220	+39,172
Bills discounted.....	176	+85	+97
Bills purchased.....	87	-9	Zero
Industrial advances.....	602	-22	-305
Commit. to make indust. adv.....	122	-3	-272
U. S. Government securities.....	124,128	Zero	+1,201
Total resources.....	483,311	+15,870	+46,918
F. R. notes in circulation.....	167,273	+1,865	+14,284
Member bank reserve deposits.....	256,024	+10,610	+34,512

Dollar volume of check collections continued to increase by more than the usual amount during July. Dollar volume for July was 8 per cent greater and for the first seven months of this year 5 per cent greater than in the same periods of last year.

Check collections through this bank and branches:

	ITEMS		AMOUNT	
	1937	1936	1937	1936
	(In thousands)			
July.....	6,376	6,296	\$1,171,585	\$1,081,898
June.....	6,293	6,559	1,021,409	1,248,335
Seven months.....	42,085	41,403	7,063,764	6,725,647

Bank Debits

Debits to individual accounts by banks in reporting centers rose sharply in July, showing an increase of 16 per cent over a year ago. This increase compares with an average gain of about 15 per cent for the first seven months of the year.

Payments by check in thirty cities:

	Change from		
	July 1937	June 1937	July 1936
	(In thousands of dollars)		
Albuquerque, N. Mex.....	16,156	+808	+3,170
Atchison, Kans.....	5,773	+2,158	-76
Bartlesville, Okla.....	31,019	-2,659	+5,614
Casper, Wyo.....	6,680	+306	+639
Cheyenne, Wyo.....	9,672	+750	+1,919
Colorado Springs, Colo.....	16,330	+880	-45
Denver, Colo.....	182,774	+10,730	+19,902
Emporia, Kans.....	4,923	+1,859	+641
Enid, Okla.....	27,664	+12,971	+10,524
Fremont, Nebr.....	3,238	+543	+253
Grand Junction, Colo.....	3,977	+80	+490
Guthrie, Okla.....	2,177	+242	+372
Hutchinson, Kans.....	27,189	+11,524	+1,104
Independence, Kans.....	3,800	+842	+803
Joplin, Mo.....	10,192	+53	+525
Kansas City, Kans.....	17,067	+963	+1,544
Kansas City, Mo.....	477,212	+124,829	+94,848
Lawrence, Kans.....	5,281	+1,323	+972
Lincoln, Nebr.....	30,443	+1,879	-227
Muskogee, Okla.....	8,584	+600	-382
Oklahoma City, Okla.....	129,737	+9,306	+29,915
Okmulgee, Okla.....	2,756	-225	-148
Omaha, Nebr.....	166,718	+12,580	-14,482
Pittsburg, Kans.....	4,090	+40	-56
Pueblo, Colo.....	20,284	+3,145	+2,297
Salina, Kans.....	25,647	+11,696	+4,969
St. Joseph, Mo.....	33,748	+8,452	-2,063
Topeka, Kans.....	26,029	+8,341	+4,174
Tulsa, Okla.....	166,997	-297	+34,823
Wichita, Kans.....	72,390	+13,166	+9,905
District, 30 cities.....	1,538,547	+236,885	+211,924
United States, 141 cities.....	36,903,337	+450,507	+2,087,609

Trade

DEPARTMENT STORE SALES

Dollar volume of sales at reporting department stores in this District declined from June to July by about 19 per cent, reflecting the usual summer lull. July sales were about 5 per cent greater than a year ago but retail trade in July last year was adversely affected by intensely hot weather. So far this year, dollar volume shows a gain over last year of about 6 per cent. Retail prices continue to rise, according to the Fairchild Index, but at a slower rate than in recent months. While still 17 per cent below the 1929 level, retail prices are about 9 per cent higher than at this time last year and are about 39 per cent above the 1933 low.

Stocks of merchandise declined seasonally during July but continue about 9 per cent above the level of a year ago. Collections on open accounts averaged 44.6 per cent of receivables in July, 44.0 per cent in June, and 45.0 per cent in July of last year. Installment collections averaged 14.0 per cent in July, 14.5 per cent in June, and 14.2 per cent in July a year ago.

Department store sales and stocks in leading cities:

No. of Stores	SALES		STOCKS	
	July '37	7 Mos. '37	July 31, '37	July 31, '36
	comp. to July '36	comp. to 7 Mos. '36	comp. to Jun. 30, '37	comp. to Jul. 31, '36
	(Per cent increase or decrease)			
Denver	+1.6	+8.0	+0.1	+14.7
Kansas City	+7.2	+6.2	-7.9	+2.5
Oklahoma City	+9.5	+2.9	-10.1	+7.8
Omaha	-3.6	-2.1	-9.2	+8.4
Tulsa	+7.8	+9.6	-8.1	+6.3
Wichita	+16.6	+14.5	-10.1	+16.7
Other cities	+6.8	+5.6	-6.3	+7.4
District	+5.0	+6.2	-5.8	+8.9

WHOLESALE SALES

The value of wholesale sales in July was, for the first time this year, under that in the corresponding month a year ago. Grocery sales showed a large decrease, accounted for in part by the speculative buying which occurred in July of last year. For the first seven months of the year, wholesale sales show an increase of nearly 7 per cent over the comparable period in 1936. July sales were also smaller than in the preceding month, sales of drugs declining 8, furniture about 40, hardware 4, and total sales about 4 per cent. Sales of dry goods were 10, groceries 2, and paper about 7 per cent larger than in June.

The recent rise in the general level of wholesale prices was checked in the latter part of July, subsequent declines carrying prices in the first week of August to a point slightly lower than that early in July but still about 8 per cent above a year ago. Prices of farm products, foods, textile products, building materials, and chemicals and drugs are lower than a

month ago, while prices of other commodities are higher.

Wholesale sales and collections reported by the Department of Commerce:

No. of Firms	SALES		COLLECTIONS*			
	July '37	7 Mos. '37	July 1937	June 1937	July 1936	
	comp. to July '36	comp. to 7 Mos. '36	(Per cent change)	(Median percentages)		
Drugs	7	-1.4	+2.9	82.6	81.8	95.4
Dry goods	3	+18.8	+16.8	44.0	44.7	44.4
Furniture	3	+15.4	+18.9	45.0	52.0	49.0
Groceries	11	-8.3	+5.7	100.0	105.7	108.0
Hardware	6	-1.7	-0.3	55.3	55.3	55.6
Paper	4	+10.4	+9.2	61.3	64.1	67.4
All other lines	18	+6.0	+9.1	68.5	61.7	74.4
District	52	-0.6	+6.9	70.0	69.1	74.0

Crops

Corn prospects, which are less favorable in this District than in the country as a whole, tend to decline. The crop went back somewhat in Nebraska during July and growing conditions since August 1 indicate a final yield materially below the August 1 estimate. In contrast with prospective yields above the average in eastern Corn Belt states and in the country as a whole, the indicated yield in the western tier of Corn Belt states is generally below average.

Corn estimates of the Department of Agriculture:

	Indicated		Final 1936	Final 1935	Aver. '28-'32
	August 1	July 1			
	(In thousands of bushels)				
Colo.	15,492	15,492	11,169	10,761	20,847
Kans.	54,876	53,262	11,036	39,420	126,756
Mo.	133,516	126,610	40,032	72,890	146,489
Nebr.	179,334	196,830	26,859	106,630	223,843
N. Mex.	3,220	3,220	2,185	2,700	3,528
Okla.	29,785	32,338	11,772	25,872	51,842
Wyo.	3,794	2,981	984	2,260	2,341
7 States	420,017	430,733	104,037	260,533	575,646
U. S.	2,658,748	2,571,851	1,529,327	2,296,669	2,554,772

Despite rust damage, the winter wheat crop in Kansas, Nebraska, and Missouri turned out even better than expected earlier. As a result, production in the District is about equal to the average crop harvested from 1928 to 1932. Preparation of seed beds for wheat is well advanced in Kansas and has begun in Nebraska. Present indications are for another large wheat acreage this fall.

The general moisture situation as affecting late crops is now measurably less favorable than at the beginning of August following the late July rains. Except in Wyoming, northern Missouri, and parts of central and southeastern Kansas, July rainfall was less than normal and dryness continued into the third week of August. Moreover, the lack of moisture was aggravated by abnormally high temperatures and by hot winds over considerable portions of the District.

Rainfall as reported by the Weather Bureau:

	July 1937		7 Mos. 1937	
	Total	Normal	Total	Normal
	(In inches)			
COLORADO				
Denver .....	.95	1.68	7.79	9.30
Leadville	8.70	2.99	19.18	11.53
Pueblo .....	.68	1.94	4.28	7.58
Lamar .....	.20	2.64	4.10	10.63
Garnett .....	.84	1.24	3.21	3.84
Steamboat Springs	3.57	1.72	18.72	14.07
KANSAS				
Topeka	1.65	4.27	12.15	20.73
Iola	3.57	3.60	26.74	22.91
Concordia	4.06	3.78	12.91	17.45
Salina	1.73	3.02	12.33	16.95
Wichita	4.77	3.38	18.53	18.91
Hays	4.94	3.17	11.25	15.10
Dodge City	1.99	3.14	9.73	13.34
Elkhart	1.04	3.02	3.70	10.58
Goodland	1.36	2.58	9.65	11.97
MISSOURI				
St. Joseph	7.89	3.78	20.18	22.05
Kansas City	3.11	4.13	18.94	22.38
Joplin	5.13	4.62	26.90	27.72
NEBRASKA				
Omaha	5.04	3.54	16.90	17.34
Lincoln	3.10	3.85	13.96	17.49
Norfolk	2.72	3.58	13.39	18.06
Grand Island	4.52	3.55	16.63	16.67
McCook	1.95	3.10	11.87	12.88
North Platte	2.21	2.74	9.10	12.66
Bridgeport .....	.32	1.98	7.14	11.12
Valentine	1.08	3.01	6.51	12.76
NEW MEXICO				
Clayton .....	.49	2.77	8.14	10.33
Santa Fe .....	.71	2.38	10.74	7.94
Farmington	2.03	1.39	5.21	4.94
OKLAHOMA				
Tulsa	2.47	3.31	19.04	24.14
McAlester	1.10	3.06	25.91	26.55
Oklahoma City .....	.74	2.86	12.35	18.98
Pauls Valley	1.37	2.83	19.39	21.41
Hobart .....	.51	2.54	10.39	17.19
Enid	1.24	2.74	13.03	18.42
Woodward .....	.56	2.93	8.94	15.63
WYOMING				
Cheyenne	1.97	2.10	8.86	10.21
Casper	3.51	1.10	12.01	9.85
Lander	2.79	.69	13.29	8.54
Sheridan	1.78	1.22	11.99	10.54

Grain Marketing

Wheat came to market in unusually large volume in July as the result of a combination of high prices and almost simultaneous maturity of the new crop over a wide area. Elevator stocks have increased rapidly and are much above a year ago. Receipts of oats and rye were also rather large for July but corn marketings are almost negligible, being only about one-seventh of their normal volume.

Receipts of grain at five markets in the District:

	Wheat	Corn	Oats	Rye	Barley	Kafir
	(In thousands of bushels)					
Hutchinson	7,966	—	—	1	1	3
Kansas City	48,066	276	396	28	67	46
Omaha	11,686	248	628	178	88	—
St. Joseph	8,389	43	304	17	21	1
Wichita	9,952	4	17	—	3	—
July 1937	86,059	571	1,345	224	180	50
June 1937	21,881	1,461	596	11	253	56
July 1936	60,670	3,033	2,826	64	286	146
7 Mos. 1937	126,887	10,851	7,912	402	1,048	449
7 Mos. 1936	92,735	26,126	9,148	415	1,686	875

The carryover of wheat in the United States on July 1 was estimated at about 90 million bushels as compared with about 136 million a year ago and 146 million two years ago. This situation, coupled with small world wheat stocks and the prospect this season for the smallest world supplies in ten years, has maintained prices above the level of a year ago or recent years. Cash corn prices are somewhat lower than a year ago but are about 40 cents above the December futures quotation. Cash offerings are well below current trade needs and elevator stocks are being rapidly depleted.

Cash grain prices at the Kansas City market:

	Aug. 14 1937	July 31 1937	June 30 1937	July 31 1936
No. 1 hd., dk. wheat, bu.	\$1.10 $\frac{1}{4}$	\$1.17	\$1.18 $\frac{1}{2}$	\$1.16 $\frac{1}{2}$
No. 2 mixed corn, bu.	1.07 $\frac{1}{4}$	.92 $\frac{1}{2}$	1.24 $\frac{1}{2}$	1.09 $\frac{1}{2}$
No. 2 white oats, bu. ....	.29	.30	.47	.45
No. 2 rye, bu. ....	.80	.81	.90	.87
No. 2 barley, bu. ....	.62	.55	.72	.84
No. 2 white kafir, cwt.	1.35	1.30	2.20	1.64

Live Stock

MARKETINGS

The movement of grass cattle to market which had started much earlier than usual was checked in the latter part of July by rains which encouraged farmers to hold back supplies. Cattle receipts were 17 per cent below the July ten-year average but receipts of calves, which alone showed an increase over a year ago, continue heavy. Marketings of sheep were 16 per cent below the average and hog marketings continue at a low level, being less than a fourth of normal.

Live stock receipts at six markets in the District:

	Cattle	Calves	Hogs	Sheep
Denver	25,811	4,683	14,083	196,336
Kansas City	115,415	25,468	44,199	68,374
Oklahoma City	47,158	18,854	15,053	14,603
Omaha	76,295	9,184	48,691	110,945
St. Joseph	25,255	5,847	20,507	59,101
Wichita	19,164	4,248	13,739	5,206
July 1937	309,098	68,284	156,272	454,565
June 1937	364,449	69,918	208,065	501,098
July 1936	381,397	67,548	478,209	524,331
7 Mos. 1937	2,249,462	457,702	2,131,705	3,955,909
7 Mos. 1936	2,301,612	385,972	3,086,649	3,867,349

PRICES

Reflecting the small slaughter supplies available, prices of beef cattle and hogs continued upward in July and the first two weeks of August, cattle reaching \$16.85 and hogs \$13.20 per hundredweight at the Kansas City market. Sheep and lamb prices are seasonally lower, lambs having declined about \$2.50 from their spring peak, but prices have recently shown strength. Beef cattle are at the highest August level in seventeen years, hogs in eleven, and lambs in eight years. There has also been an increase in the average price of stocker and feeder cattle to a new high since 1930. This situation is influenced

not only by prospects for abundant feed supplies this season but also by small cattle supplies naturally resulting from successive years of feed shortages.

Top live stock prices at the Kansas City market:

	July 1937	June 1937	July 1936	July 1935	July 1934
	(In dollars per hundredweight)				
Beef steers	16.65	15.00	9.15	12.00	9.00
Stocker cattle	10.00	9.50	7.75	8.40	5.00
Feeder cattle	13.25	10.25	7.40	8.50	6.60
Calves	10.00	9.75	8.50	8.50	5.00
Hogs	12.75	11.80	10.85	10.75	4.75
Sheep	6.50	7.00	6.25	5.00	4.50
Lambs	11.10	12.50	10.60	8.60	8.10

STOCKERS AND FEEDERS

Shipments of stocker and feeder cattle to the country continued heavy in July, exceeding the ten-year average by 9 per cent, but shipments of calves and sheep were about 17 and hogs 50 per cent below the average volume. The large number of cattle going to the country reflects lowering feed costs and the rather wide margin existing between prices of finished and unfinished cattle. If hog prices hold near present levels, the price of corn as indicated by the December future will return the hog-corn feeding ratio to an unusually favorable basis.

Stocker and feeder shipments from four markets:

	Cattle	Calves	Hogs	Sheep
Denver	6,200	535	428	24,002
Kansas City	37,277	3,414	1,897	14,226
Omaha	18,139	1,084	1,083	20,811
St. Joseph	3,138	365	690	4,142
July 1937	64,754	5,398	4,098	63,181
June 1937	64,721	8,848	3,393	45,589
July 1936	64,148	7,565	7,463	70,348
7 Mos. 1937	431,663	54,841	23,729	337,740
7 Mos. 1936	378,222	46,510	32,698	372,973

On August 1 the number of cattle on feed for market in Nebraska was 45, in Missouri 25, and in Kansas 40 per cent smaller than a year ago. Moreover, these decreases were from a relatively small number on feed at this time last year, uninterrupted declines having occurred in Kansas since 1928 and in Nebraska and Missouri since 1933. Approximately only one-tenth as many cattle are now on feed in Kansas as at the peak in 1928. Feeding operations, however, are expected to increase this coming winter and spring.

RANGES AND PASTURES

Feed on mountain ranges and in the foothill areas of Wyoming, Colorado, and New Mexico continued good through July but ranges and pastures are only fair in western Nebraska and are poor in western Kansas and Oklahoma. Pastures are fair in eastern Nebraska and Kansas and are good in eastern Oklahoma. Cattle and sheep are generally in good condition and have made good summer gains except in a few of the drier areas. Because of the marked improvement which has taken place in range conditions

during the past year, no extensive forced liquidation of live stock is likely to occur although short feed may necessitate some movement of cattle from the western parts of Nebraska, Kansas, and Oklahoma, depending upon later rains and feed crop developments.

The 1937 lamb crop in this District shows little change from that of a year ago but is nearly 11 per cent greater than that in 1935, a decline in the number of breeding ewes as compared with the last two years being offset or more than offset by an increased number of lambs saved per ewe. Winter and spring losses were about average despite the severe and prolonged winter and short feed supplies. In contrast with a year ago, ranges and pastures generally favor a rapid finishing of this year's crop. Lamb contracting for fall delivery was very active in July at steadily rising prices.

Preliminary estimates indicate about the same amount of wool shorn and to be shorn in this District in 1937 as in 1936. The number of sheep shorn is smaller than last year but fleece weights average slightly higher.

Farm Income

Cash farm income in June, as in the preceding month, was little changed from that of a year ago but income for the first half of the year still shows an increase of 10 per cent. Substantially larger receipts from crops this year, principally in Kansas, Colorado, and Nebraska, together with larger Government payments in all states of the District, are factors in this increase. However, total receipts in Nebraska are less than in 1936 because of a sharp reduction in receipts from live stock. In New Mexico and Oklahoma, declines in receipts have been more than offset by increased Government payments.

Income estimates of the Department of Agriculture:

	Crops	Live Stock and Products	Govt. Payments	Total
	(In thousands of dollars)			
Colorado	1,150	5,985	518	7,653
Kansas	8,437	14,493	910	23,840
Missouri	2,358	16,411	2,004	20,773
Nebraska	2,302	11,479	2,867	16,648
New Mexico	167	1,325	44	1,536
Oklahoma	4,265	7,076	140	11,481
Wyoming	142	2,343	120	2,605
June 1937	18,821	59,112	6,603	84,536
May 1937	15,278	58,509	7,909	81,696
June 1936	15,594	57,129	11,836	84,559
6 Mos. 1937	107,044	348,120	65,331	520,495
6 Mos. 1936	71,505	357,163	43,550	472,218

The ratio of prices received by farmers to prices paid for what they buy rose one point from the middle of June to the middle of July. At 94 per cent, this ratio is now only one point higher than a year ago.

For Directors + B. R.

Meat Packing

Operations at meat-packing plants in the District declined in July, output falling to the lowest July level in many years. Cattle and sheep slaughter were little better than 70 per cent of the July average of the past ten years and hog slaughter was only 25 per cent of the average. Calf slaughter, however, continues high, being 5 per cent above the average in July. High prices obtainable for dairy products have been an important factor in the large slaughter supplies of calves.

Packers' purchases at six markets in the District:

	Cattle	Calves	Hogs	Sheep
Denver	13,195	3,883	13,341	31,933
Kansas City	47,476	18,941	38,374	51,329
Oklahoma City	23,209	11,799	10,567	10,301
Omaha	44,511	7,561	40,498	78,571
St. Joseph	18,162	5,504	16,629	55,066
Wichita	9,116	4,705	12,266	4,754
July 1937	155,669	52,393	131,675	231,954
June 1937	188,950	53,119	187,474	294,715
July 1936	224,679	57,206	400,706	255,166
7 Mos. 1937	1,227,229	356,832	1,884,887	2,284,028
7 Mos. 1936	1,373,807	313,686	2,599,140	2,068,808

Cold Storage Holdings

Contraseasonal declines in United States cold storage stocks of beef, poultry, miscellaneous meats and lard, and larger than usual decreases in holdings of pork and lamb occurred in July. Input of eggs and cheese was slightly less and of butter slightly more than usual. Stocks of pork are now 19 and miscellaneous meats 8 per cent below the average for the past five years but holdings of other commodities, particularly poultry, continue high.

United States cold storage holdings:

	Aug. 1 1937	July 1 1937	Aug. 1 1936	Aug. 1 5-Yr. Av.
	(In thousands of units)			
Beef, lbs.	51,856	63,522	42,914	44,495
Pork, lbs.	468,898	578,424	441,961	581,362
Lamb and mutton, lbs.	1,838	2,171	1,478	1,542
Poultry, lbs.	70,125	77,173	49,220	42,366
Miscellaneous meats, lbs.	58,170	69,198	61,895	63,167
Lard, lbs.	157,382	185,124	117,026	147,167
Eggs, shell, cases	8,714	8,548	7,335	8,036
Eggs, frozen (case equiv.)	4,775	4,709	3,300	3,201
Butter, creamery, lbs.	124,030	83,119	103,259	124,563
Cheese, all varieties, lbs.	118,302	105,318	97,403	95,709

Flour Milling

Southwestern flour mills, operating at the highest July rate in eleven years, produced about 8 per cent more flour than a year ago and about 19 per cent more than the average for July during the past ten years. The high production rate of July continued into August. So far this year, flour production shows an increase of almost 15 per cent over that in 1936.

Flour sales in the Southwest increased sharply in July, volume reaching 310 per cent of mills' capacity in the closing week of the month, then dropping back

more nearly to normal for this season of the year in August. Sales to bakers have been in good volume and mills now have a sizable backlog to work on although family trade orders are still much below a year ago. Flour prices were irregularly lower in July but are slightly firmer in August as millfeeds continue the decline begun after the middle of July.

Flour production reported by the Northwestern Miller:

	July 1937	June 1937	July 1936
	(In barrels)		
Atchison	133,000	+16,000	-17,000
Kansas City	650,000	+10,000	+144,000
Salina	235,000	+42,000	+24,000
Wichita	236,000	+36,000	+20,000
Other cities	1,168,000	+137,000	+12,000
Southwest	2,422,000	+241,000	+183,000
United States*	5,483,000	+207,000	-776,000

*Represents about 60 per cent of total output in U. S.

Petroleum

Preliminary figures indicate that daily average crude oil production in the District continued in July at the level of the preceding month and about 22 per cent above a year ago. Although output is already in excess of allowables recommended by the Bureau of Mines and, in some areas, greater than available outlets, some increase appears probable in August when refinery operations are expected to reach a new high. There has been some improvement in demand for gasoline but prices have not strengthened.

Oil production reported by the American Petroleum Institute and the Bureau of Mines:

	July 1937		June 1937		July 1936	
	Gross	D. Av.	Gross	D. Av.	Gross	D. Av.
	(In thousands of barrels)					
Colo.	149	4.8	109	3.6	147	4.8
Kans.	6,187	199.6	6,039	201.3	4,968	160.3
N. Mex.	3,547	114.4	3,331	111.0	2,280	73.6
Okla.	19,528	629.9	19,165	638.9	16,952	546.8
Wyo.	1,683	54.3	1,437	47.9	1,212	39.1
5 States ..	31,094	1,003.0	30,081	1,002.7	25,559	824.6
U. S.	110,306	3,558.3	105,812	3,527.1	92,078	2,970.3

Coal

Output of bituminous coal showed less than the usual seasonal increase during July and little change from output in July of last year.

Coal output estimated from reports of the National Bituminous Coal Commission:

	July 1937	June 1937	July 1936
	(In tons)		
Colorado	319,000	-42,000	+26,000
Kansas and Missouri	371,000	+41,000	-40,000
New Mexico	141,000	+15,000	+19,000
Oklahoma	89,000	+51,000	+3,000
Wyoming	323,000	-37,000	-32,000
Six states	1,243,000	+28,000	-24,000
United States	31,610,000	-116,000	-395,000

Zinc and Lead

Following a ten-day shutdown in order to dispose of accumulating zinc concentrate stocks, operations at Tri-State mine mills and tailing plants were resumed about the middle of July and output and shipments of zinc rose steadily. There is an active demand for zinc and a fair demand for lead but shipments of lead were much smaller than in either the preceding month or the same month last year.

Shipments estimated from Joplin News Herald reports:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Kansas	14,240	\$ 589,370	1,485	\$ 101,360
Missouri	3,127	129,452	350	23,870
Oklahoma	25,143	1,041,654	2,103	143,570
July 1937	42,510	\$ 1,760,476	3,938	\$ 268,800
June 1937	39,058	1,607,700	6,091	415,520
July 1936	27,295	839,350	5,520	276,017
7 Mos. 1937	281,157	11,572,882	37,163	2,725,393
7 Mos. 1936	246,439	7,850,358	30,979	1,528,042

Zinc ore prices advanced 50 cents a ton about the middle of July. In the second week of August, zinc showed a further advance of \$2.00 and lead prices rose about \$7.50 per ton. Zinc is now selling at \$47.50 and lead at \$77.50 per ton. These prices compare with \$31.00 and \$50.00, respectively, a year ago.

Employment and Pay Rolls

Employment and pay rolls in the District showed a further small gain from the middle of June to the middle of July. Employment is about 7 and pay rolls about 10 per cent greater than in 1936.

Preliminary figures of the Department of Labor:

	July 1937 per cent change from June 1937	
	Employment	Pay Rolls
Colorado	+3.4	-0.3
Kansas	+0.9	+0.9
Missouri	-0.3	+1.5
Nebraska	-0.6	-1.1
New Mexico	+1.6	+1.0
Oklahoma	+0.6	+1.1
Wyoming	+2.7	-9.3

Building

Value of construction contracts awarded in this District dropped sharply in July, falling 21 per cent below a year ago and narrowing the increase for the first seven months of this year over last to about 9 per cent. Residential construction continues to feature building activity.

Construction figures of the F. W. Dodge Corporation:

	TENTH DISTRICT		37 EASTERN STATES	
	Total	Residential	Total	Residential
	(In thousands of dollars)			
July 1937	10,331	2,528	321,603	81,046
June 1937	15,279	2,926	318,092	93,078
July 1936	13,082	2,270	294,835	72,094
7 Mos. 1937	78,672	22,928	1,816,348	597,653
7 Mos. 1936	72,488	15,661	1,524,637	406,988

Building permits issued in eighteen cities of the District declined in number but increased in value during July. The value of permits in July, however, was but 3 per cent greater while for the year to date value is 24 per cent greater than a year ago.

Building permits issued by eighteen cities:

	PERMITS		ESTIMATED COST	
	1937	1936	1937	1936
Albuquerque, N. Mex.	104	69	\$ 142,000	\$ 113,000
Cheyenne, Wyo.	58	55	129,000	132,000
Colorado Springs, Colo.	72	32	35,000	47,000
Denver, Colo.	493	420	679,000	707,000
Hutchinson, Kans.	90	55	35,000	56,000
Joplin, Mo.	27	32	51,000	50,000
Kansas City, Kans.	47	43	40,000	70,000
Kansas City, Mo.	196	218	379,000	407,000
Lincoln, Nebr.	139	128	160,000	125,000
Oklahoma City, Okla.	173	209	477,000	1,300,000
Omaha, Nebr.	161	123	1,121,000	323,000
Pueblo, Colo.	54	47	37,000	24,000
Salina, Kans.	15	21	19,000	28,000
Shawnee, Okla.	16	12	29,000	4,000
St. Joseph, Mo.	27	41	22,000	24,000
Topeka, Kans.	55	69	57,000	84,000
Tulsa, Okla.	101	117	364,000	206,000
Wichita, Kans.	239	159	211,000	167,000
July	2,067	1,850	\$ 3,987,000	\$ 3,867,000
June	2,311	2,112	3,421,000	3,059,000
Seven months	14,043	11,957	27,538,000	22,208,000

Lumber

Retail lumber sales have recently begun to show a small though sustained improvement over a year ago. Following increases in the two preceding months, July showed a gain of 5 per cent. In contrast with an increase of about 35 per cent for the year 1936 over 1935, however, sales so far this year have increased little more than one per cent over the 1936 level.

The July collection ratio was 38.6 per cent as compared with 46.4 per cent last year.

Lumber trade at 156 retail yards in the District:

	July 1937 per cent change from June 1937	
	July 1937	July 1936
Sales of lumber, board feet	+17.1	+5.0
Sales of all materials, dollars	+1.0	+21.9
Stocks of lumber, board feet	-1.0	+14.0
Outstandings, dollars	+2.3	+38.9

Life Insurance

July sales of new paid-for ordinary life insurance in this District were about 2 per cent smaller than a year ago but sales for the first seven months of the year are 3 per cent larger.

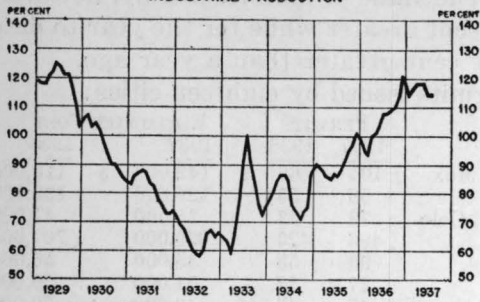
The Life Insurance Sales Research Bureau report:

	Change from		
	July 1937	June 1937	July 1936
	(In thousands of dollars)		
Colorado	5,825	-447	+309
Kansas	7,948	+10	-434
Missouri	19,842	-2,874	+653
Nebraska	5,779	-620	-1,031
New Mexico	1,022	-29	-412
Oklahoma	9,151	+814	+186
Wyoming	1,339	+281	-104
Seven states	50,906	-2,865	-833
United States	588,523	-57,472	-14,977

NATIONAL SUMMARY OF BUSINESS CONDITIONS

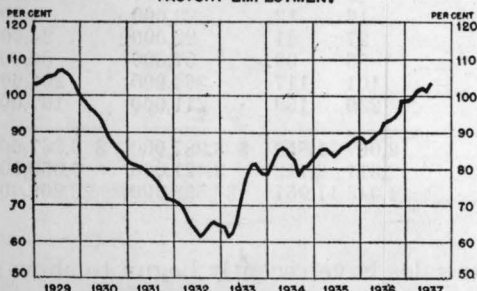
By the Board of Governors of the Federal Reserve System

INDUSTRIAL PRODUCTION



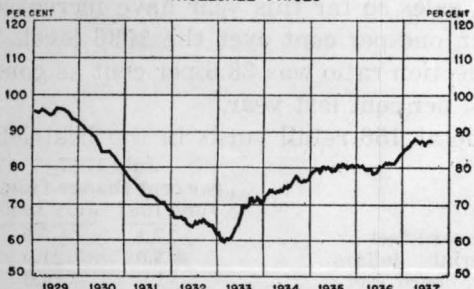
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January 1929 through July 1937.

FACTORY EMPLOYMENT



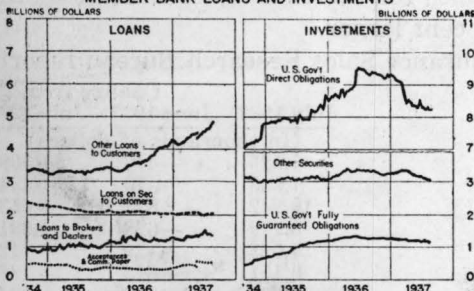
Index of number employed, adjusted for seasonal variation, 1923-1925 average = 100. By months, January 1929 through July 1937.

WHOLESALE PRICES



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 August 14, 1937.

MEMBER BANK LOANS AND INVESTMENTS



Wednesday figures for reporting member banks in 101 leading cities, September 5, 1934, through August 18, 1937. Loans on real estate and loans to banks excluded.

Total volume of industrial production and distribution of commodities to consumers showed little change from June to July, when allowance is made for the usual summer declines.

PRODUCTION AND EMPLOYMENT

The Board's seasonally adjusted index of industrial production was 114 per cent of the 1923-1925 average in July, the same as in June and 4 points lower than in March, April, and May. At steel mills, where output in June had been curtailed by strikes, activity increased considerably in the early part of July and was maintained at the higher level between the middle of July and the third week of August. Lumber production also increased in July, while output of plate glass showed a substantial decrease. Automobile assemblies declined seasonally. Output of nondurable manufactures decreased considerably, owing largely to a marked decline in activity at cotton and woolen textile mills. Meat packing also declined, while flour milling and sugar refining increased. At mines, output of anthracite was reduced in July, while output of most other minerals showed little change.

Construction contracts awarded, as reported by the F. W. Dodge Corporation, were maintained in July at the level reached in June. Non-residential construction expanded further, reflecting principally a large volume of awards for iron and steel plants and for railroad projects. Residential building showed a seasonal decline.

Factory employment increased somewhat from the middle of June to the middle of July, when a decline is usual, and factory pay rolls decreased less than seasonally. The largest increases in employment were in the steel industry and in the food industries, particularly at canning factories. Other manufacturing industries as a group showed somewhat less than the usual seasonal decline.

AGRICULTURE

A cotton crop of 15,593,000 bales, representing an increase of 3,200,000 bales over last season, was forecast by the Department of Agriculture on the basis of August 1 conditions. Official estimates indicate that other major crops will be considerably larger than last season and about equal to the average for 1928-1932. Preliminary estimates by the Department of Agriculture indicate that cash farm income, including Government payments, will total \$9,000,000,000 for the calendar year 1937, an increase of 14 per cent over 1936.

DISTRIBUTION

Distribution of commodities to consumers in July continued at the level of other recent months, when allowance is made for the usual summer decline. Sales at department stores and variety stores showed slightly less than the seasonal decrease in July, while mail-order sales declined somewhat more than seasonally. Freight carloadings increased, reflecting in part larger shipments of grains and forest products.

COMMODITY PRICES

From the middle of July to the third week of August prices of grains and cotton declined substantially, while live stock and meats showed a further increase. Automobile prices were raised by most producers, carpet prices advanced, and there were increases in several industrial raw materials, including hides, zinc, lead, and steel scrap. Cotton goods and rubber declined somewhat.

BANK CREDIT

From the middle of July to August 4, excess reserves of member banks were sharply reduced from \$960,000,000 to \$700,000,000, but subsequently they increased to \$780,000,000 on August 18. These changes in member bank reserves reflected principally fluctuations in the volume of Treasury deposits at Federal Reserve banks, together with a seasonal increase in money in circulation. Excess reserves at New York City banks declined from \$230,000,000 to about \$40,000,000 and subsequently increased to \$130,000,000.

Total loans and investments of reporting member banks increased somewhat during the four weeks ending August 18, reflecting principally an increase of \$150,000,000 in commercial loans offset in part by a further decline in holdings of United States Government obligations, principally at New York City banks. The growth in commercial loans occurred both in New York City and in other cities and included the purchase by banks of a large portion of the \$60,000,000 of 9-month notes sold by the Commodity Credit Corporation on August 2.

United States Government deposits at reporting banks increased during the period, reflecting purchases by banks of Treasury bills on a book-credit basis. Bankers' balances and other demand deposits showed further declines at New York City banks.

MONEY RATES

Rates on Treasury bills declined slightly after the middle of July, and open-market yields on Treasury notes and bonds also declined until early in August, but later there was a rise in yields. In the latter part of August discount rates were reduced from 2 per cent to 1½ per cent at the Federal Reserve Banks of Atlanta, Chicago, and Minneapolis. The 2 per cent rates had been in effect since early in 1935.