



**Member Bank Operations**

The rise in loans at reporting member banks in the Tenth District that had begun early in June leveled off during the first two weeks of August, reflecting largely a decrease in commercial, industrial, and agricultural loans, part of which represented the taking over by the Commodity Credit Corporation of cotton and corn loans that were approaching maturity. Investments have risen somewhat from their low point early in July. In recent weeks holdings of Treasury bills and Government bonds have declined but these decreases have been more than offset by increased holdings of Treasury notes, of obligations guaranteed by the Government, and other securities. Loans are 11 and investments 4 per cent larger than a year ago.

Adjusted demand deposits of reporting member banks, their correspondent balances at other banks, their reserve balances at this bank, and deposits of other banks at these reporting banks all rose to new high levels during the first two weeks of August. Adjusted demand deposits and correspondent balances are 5 per cent larger than a year ago while reserves are 14 and interbank deposits 13 per cent greater.

Principal items of condition of 51 member banks:

	Change from		
	Aug. 16 1939	July 19 1939	Aug. 17 1938
	(In thousands of dollars)		
Loans and investments—total.....	664,323	+4,254	+40,733
Loans—total.....	272,510	-2,330	+27,626
Coml., indust., agric.....	161,552	-4,198	+10,564
Open market paper.....	19,355	-426	+2,957
To security brokers and dealers.....	4,357	+652	+476
Other to purchase or carry secur.....	10,091	+3	-2,095
Real estate loans.....	25,049	+285	+3,143
Loans to banks.....	408	-86	-175
All other loans.....	51,698	+1,440	+12,756
Investments—total.....	391,813	+6,584	+13,107
U. S. Treasury bills.....	4,712	-1,104	*
U. S. Treasury notes.....	81,416	+4,572	*
U. S. Govt. bonds.....	110,723	-3,672	*
Oblig. guar. by U. S. Govt.....	61,070	+5,372	+14,457
Other securities.....	133,892	+1,416	+11,054
Reserve with F. R. Bank.....	181,534	+10,652	+22,474
Balances with domestic banks.....	317,745	+7,676	+15,221
Demand deposits—adjusted.....	519,075	+15,663	+24,002
Time deposits.....	143,198	-1,033	-1,131
U. S. Govt. deposits.....	23,148	-22	+5,154
Interbank deposits.....	410,581	+6,948	+46,643

\*Comparable figures not available.

**Reserve Bank Operations**

Note circulation of this bank continues to rise, reaching a new high level of 174¼ million dollars in the second week of August following the previous record of 172½ million in the first week of July. Circulation averaged 173½ million during the first half of August as compared with approximately 171¾ million during July and about 170 million during June. Circulation of 173½ million at the middle of August compares with 165¾ million at this time last year and 167¼ million two years ago.

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

	Change from		
	Aug. 16 1939	July 19 1939	Aug. 17 1938
	(In thousands of dollars)		
Total reserves.....	395,463	+39,051	+85,799
Bills discounted.....	299	-21	+91
Bills purchased.....	16	Zero	Zero
Industrial advances.....	205	-2	-222
Commit. to make indust. adv.....	618	-9	+185
U. S. Government securities.....	120,710	-2,910	+2,079
Total assets.....	556,834	+34,251	+91,236
F. R. notes in circulation.....	173,524	+1,820	+7,783
Member bank reserve deposits.....	260,015	+18,719	+33,690

Dollar volume of check collections rose somewhat more than seasonally during July when it was 8 per cent larger than a year ago. For the year to date, dollar volume shows an increase of 5 per cent.

Check collections through this bank and branches:

	ITEMS		AMOUNT	
	1939	1938	1939	1938
	(In thousands)			
July.....	6,068	5,866	\$1,017,525	\$ 942,074
June.....	6,170	6,073	950,251	891,780
Seven months.....	41,608	40,742	6,402,425	6,098,687

**Bank Debits**

Debits to individual accounts by banks in reporting centers of the District showed about the usual seasonal rise during July. However, volume of payments by check both in July and in the first seven months of 1939 was little changed from that in the corresponding periods of 1938. For the whole country, debits so far this year are 4 per cent larger.

Payments by check in thirty District cities:

	Change from		
	July 1939	June 1939	July 1938
	(In thousands of dollars)		
Albuquerque, N. Mex.....	15,255	-577	+917
Atchison, Kans.....	3,592	+617	-498
Bartlesville, Okla.....	30,807	+3,460	+2,679
Casper, Wyo.....	5,837	-501	-233
Cheyenne, Wyo.....	8,319	+135	-308
Colorado Springs, Colo.....	14,697	+647	-636
Denver, Colo.....	155,720	+4,416	-2,722
Emporia, Kans.....	3,305	+492	+172
Enid, Okla.....	15,898	+2,149	-712
Fremont, Nebr.....	2,641	-213	+102
Grand Junction, Colo.....	3,610	-1	+262
Guthrie, Okla.....	1,598	+122	-113
Hutchinson, Kans.....	15,118	+1,573	-3,960
Independence, Kans.....	2,993	-220	+14
Joplin, Mo.....	9,524	+71	+758
Kansas City, Kans.....	19,249	+804	+4,076
Kansas City, Mo.....	354,706	+48,532	-6,063
Lawrence, Kans.....	3,897	+177	-12
Lincoln, Nebr.....	29,260	-979	+717
Muskogee, Okla.....	7,521	-84	+532
Oklahoma City, Okla.....	104,909	-4,744	+8,505
Okmulgee, Okla.....	2,546	+99	+197
Omaha, Nebr.....	147,531	+1,093	+878
Pittsburg, Kans.....	3,522	-28	-193
Pueblo, Colo.....	15,262	+1,888	-709
Salina, Kans.....	11,095	-28	-4,448
St. Joseph, Mo.....	29,704	+3,859	+1,002
Topeka, Kans.....	23,081	+2,862	+608
Tulsa, Okla.....	126,323	-10,204	+769
Wichita, Kans.....	51,828	+4,962	-2,679
District, 30 cities.....	1,219,348	+60,379	-1,098
United States, 141 cities.....	30,476,737	-3,511,183	-28,323

**Trade**

**RETAIL SALES**

Dollar volume of sales at reporting department stores in the District showed much less than the usual seasonal decline during July, following a larger than seasonal decrease during the preceding month. Sales in July, as in the first six months of the year, were only slightly above a year ago but sales for the first three weeks of August showed an increase of 8 per cent over last year.

Stocks of merchandise declined somewhat more than seasonally during July and remain at a level about 2 per cent under a year ago, reflecting conservative inventory policies of retailers. Collections on open accounts averaged 45.1 per cent in July as compared with 45.4 per cent last year, while installment collections averaged 15.3 against 14.4 per cent.

Department store sales and stocks in leading cities:

	SALES			STOCKS	
	July '39		7 Mos.'39	July 31, '39	
	No. of comp.to	comp.to	comp.to	comp. to	
Stores	July '38	7 Mos.'38	June 30,'39	July 31,'38	
(Per cent increase or decrease)					
Denver.....	4	+0.2	+0.6	-2.5	-7.4
Kansas City.....	5	+0.9	+1.8	-5.7	-5.5
Oklahoma City..	3	+13.2	+4.8	-11.3	+5.0
Omaha.....	3	-4.4	-0.9	....	....
Tulsa.....	4	+0.3	-1.0	-10.0	+17.5
Wichita.....	3	+5.3	-0.6	....	....
Other cities.....	18	-4.6	-1.1	-5.4	-2.4
District.....	40	+0.5	+0.7	-6.9	-1.7

Total retail sales in the District both in July and in the first seven months of the year were better than 3 per cent above a year ago.

Sales of independent retail stores reported by the Department of Commerce:

	July 1939 per cent change from July 1938						
	Colo.	Kans.	Mo.	Nebr.	N.Mex.	Okla.	Wyo.
Automobile.....	+9.6	+30.1	+34.9	+14.5	+11.2	+20.1	+10.8
Country genl..	-9.8	-6.5	+3.0	-11.6	+3.7	-5.8	+3.5
Department....	-4.7	-1.2	+2.9	-6.8	+4.7	+5.3	....
Drug.....	-2.1	-2.9	+4.1	+4.0	+4.7	-3.1	-3.8
Furniture.....	+3.6	+5.8	+8.4	-19.9	....	+9.1	+11.5
Grocery.....	-2.9	-4.0	-2.0	-4.9	-0.6	-4.1	-0.8
Hardware.....	-19.4	-18.6	+8.4	-10.5	....	+8.5	+4.1
Lbr. & mtl's....	-2.8	-1.5	+28.8	-25.7	+7.8	....	-4.2
Men's wear....	....	-2.7	+3.7	+6.5	....	-1.2	....
Women's wear..	....	+7.3	+1.4	....	....	-17.8	....
Total.....	-2.4	+1.6	+7.5	-4.6	+7.6	+4.9	+2.3

**WHOLESALE SALES**

The value of July wholesale sales in the District dropped more than 3 per cent under a year ago. Of the principal lines, sales of furniture and hardware were 9 per cent larger than in July last year, while sales of drugs were 2, dry goods 8, and groceries 9 per cent smaller. Total sales for the first seven months of the year were little changed from 1938. Wholesale stocks are about 9 per cent less than a year ago. Collections in July averaged 75.2 per cent, the same ratio as in July last year.

Wholesale sales and stocks reported by the Department of Commerce for this District:

	SALES			STOCKS	
	July '39		7 Mos.'39	July 31, '39	
	No. of comp.to	comp.to	comp.to	comp. to	
Firms	July '38	7 Mos.'38	June 30,'39	July 31,'38	
(Per cent increase or decrease)					
Auto. supplies...	7	+5.4	+1.9	-1.8	-13.6
Clothing.....	3	-33.3	....	+29.2	-22.5
Drugs.....	10	-1.7	-0.3	-0.6	-1.4
Dry goods.....	7	-7.7	-3.3	+13.0	-18.4
Electrical goods	12	-21.9	+11.9	-3.5	+6.4
Farm products..	12	+3.3	....	-6.3	+7.1
Furniture.....	5	+9.3	+5.0	+1.8	-2.9
Groceries.....	39	-8.5	-2.3	+0.7	-8.4
Hdwre.—total.. (16)	+9.1	+5.4	....	....	....
General.....	6	+8.3	+2.9	-18.8	-17.8
Industrial....	5	+15.6	+11.9	....	....
Plbg. & htg....	5	+1.1	+3.8	....	....
Jewelry.....	3	-28.0	....	+7.4	+5.2
Machinery.....	4	+0.3	....	+10.4	+0.8
Paper & prod....	5	-16.1	....	+5.8	-7.3
Tobacco & prod.	8	-5.6	-3.4	....	....
All other lines..	15	+7.9	+5.4	+2.9	+2.1
Total.....	146	-3.3	-0.3	-0.1	-8.6

**Crops**

Abnormally hot, dry weather in July drastically changed prospects for corn and seriously damaged many other late crops in non-irrigated sections of the District just as it has in nearly all of the last ten years. Rains toward the end of the month and early in August came too late to be of material benefit to much of the corn but were favorable for grain sorghums and other forage crops that withstood the drought better and enabled farmers to proceed with the preparation of land for fall wheat planting.

Corn prospects near the first of July had been the best of recent years. But high temperatures, hot winds, and lack of moisture about the middle of the month when corn was at a very critical stage cut the estimated production for Kansas and Nebraska by considerably more than half and sharply reduced the estimates for other states in the District. Early corn in Oklahoma had already matured but late corn was burned badly. Grasshoppers also have done great damage to the crop and much of it is now being cut for fodder.

Department of Agriculture corn estimates:

	Aug. 1 1939	July 1 1939	Final 1938	Aver. '28-'37
(In thousands of bushels)				
Colorado.....	5,656	6,464	11,319	15,771
Kansas.....	24,752	61,880	45,200	80,736
Missouri.....	108,385	114,520	106,500	113,655
Nebraska.....	72,750	167,325	107,735	159,176
New Mexico.....	2,160	2,808	2,606	2,928
Oklahoma.....	29,205	38,940	35,080	35,912
Wyoming.....	1,808	2,599	2,880	2,071
Seven states.....	244,716	394,536	311,320	410,249
United States.....	2,459,888	2,570,795	2,542,238	2,309,674

July rainfall for Nebraska and Oklahoma averaged only 54, Kansas 43, Colorado 42, and Wyoming 60 per cent of normal, while in New Mexico it was 96 and in

Missouri 78 per cent of normal. The deficiency in Colorado was accentuated by the fact that rainfall in June had been only 35 per cent of normal. Consumption of irrigation water supplies in western sections of the District continued high during July so that the outlook for sufficient water to mature late crops is quite unfavorable.

### Rainfall

	July 1939		7 Mos. 1939	
	Total	Normal	Total	Normal
	(In inches)			
<b>COLORADO</b>				
Denver.....	0.08	1.68	5.51	9.30
Leadville.....	1.80	2.99	9.51	11.53
Pueblo.....	0.13	1.94	6.92	7.58
Lamar.....	0.99	2.64	7.19	10.63
Garnett.....	0.85	1.24	3.12	3.84
Steamboat Springs.....	0.76	1.72	12.74	14.07
<b>KANSAS</b>				
Topeka.....	1.26	4.27	15.43	20.73
Iola.....	2.85	3.60	18.99	22.91
Concordia.....	0.34	3.78	13.30	17.45
Salina.....	1.26	3.02	11.06	16.95
Wichita.....	0.72	3.38	19.60	18.91
Hays.....	1.04	3.17	10.91	15.10
Goodland.....	2.55	2.58	13.61	11.97
Dodge City.....	0.93	3.14	8.86	13.34
Elkhart.....	1.28	3.02	7.74	10.58
<b>MISSOURI</b>				
St. Joseph.....	0.96	3.78	19.45	22.05
Kansas City.....	1.18	4.13	25.46	22.38
Joplin.....	1.53	4.62	27.12	27.72
<b>NEBRASKA</b>				
Omaha.....	4.05	3.54	14.70	17.34
Lincoln.....	2.81	3.85	14.47	17.48
Norfolk.....	1.89	3.58	11.24	18.06
Grand Island.....	2.27	3.55	14.56	16.67
McCook.....	1.80	3.10	12.23	12.88
North Platte.....	0.35	2.74	9.36	12.54
Bridgeport.....	1.53	1.98	10.58	11.12
Valentine.....	2.22	3.01	13.07	13.16
<b>NEW MEXICO</b>				
Clayton.....	0.91	2.77	7.60	10.36
Santa Fe.....	2.19	2.38	7.47	7.94
Farmington.....	0.15	1.39	2.71	4.90
<b>OKLAHOMA</b>				
Tulsa.....	3.03	3.31	21.58	24.14
McAlester.....	4.72	3.06	23.50	26.55
Oklahoma City.....	0.62	2.86	17.76	18.98
Pauls Valley.....	0.31	2.83	17.13	21.41
Hobart.....	0.17	2.54	15.83	17.19
Enid.....	2.52	2.74	20.48	18.40
Woodward.....	1.75	2.93	17.87	15.63
<b>WYOMING</b>				
Cheyenne.....	0.70	2.10	8.22	10.21
Casper.....	0.47	1.10	5.52	9.85
Lander.....	0.35	0.69	6.73	8.54
Sheridan.....	2.43	1.22	12.72	10.54

### Grain Marketing

Wheat marketings increased further during July and were 5 per cent above the ten-year average but fell far short of receipts in July a year ago. The unusually heavy early movement of new crop wheat this year had resulted in record marketings for June, and farmers tended to hold wheat when prices in July had dropped substantially below the 1939 Government loan rate. Marketings of corn and oats also were less than in July last year, receipts of corn being only about a third of normal while receipts of oats were about equal to average.

### July grain receipts at five District markets:

	Wheat	Corn	Oats
	(In bushels)		
Hutchinson.....	4,833,000	----	----
Kansas City.....	33,867,000	440,000	246,000
Omaha.....	10,084,000	666,000	564,000
St. Joseph.....	6,594,000	111,000	334,000
Wichita.....	6,450,000	3,000	21,000
July 1939.....	61,828,000	1,220,000	1,165,000
June 1939.....	34,583,000	1,705,000	374,000
July 1938.....	75,528,000	1,404,000	1,560,000
7 Mos. 1939.....	133,569,000	11,183,000	6,300,000
7 Mos. 1938.....	121,236,000	15,352,000	5,459,000

Owing to the pressure of large world supplies of wheat and prospects for another large domestic corn crop, cash wheat and corn prices continued to decline sharply up to the last week of July, falling to the lowest level since 1933. Since late in July, prices have generally tended upward, wheat strengthening materially late in August because of unsettled conditions abroad.

### The lower range of cash prices at Kansas City:

	Aug. 22 1939	July 31 1939	June 30 1939	July 30 1938
No. 1 hd., dk. wheat, bu.....	\$ .64¾	\$ .66½	\$ .68¼	\$ .68
No. 2 mixed corn, bu.....	.44½	.44	.47½	.52
No. 2 white oats, bu.....	.30¾	.28½	.31¼	.23
No. 2 rye, bu.....	.44½	.43½	.45	.45½
No. 2 barley, bu.....	.41½	.39½	.40	.38
No. 2 white kafir, cwt.....	1.08	1.06	.96	.89

### Livestock

#### MARKETINGS

Marketings of all livestock increased considerably during July, the increase in hog marketings being contrary to the usual seasonal trend. Receipts of cattle were little different from July a year ago but receipts of calves were 30, hogs 64, and sheep 8 per cent heavier. Marketings of cattle were 13 and hogs 30 per cent below the July ten-year average, while calves and sheep exceeded the average by 5 per cent.

### July livestock receipts at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	29,385	4,430	24,875	229,535
Kansas City.....	114,845	30,325	143,256	84,613
Oklahoma City.....	37,858	18,735	34,062	22,556
Omaha.....	95,474	6,770	124,369	164,214
St. Joseph.....	25,540	4,506	68,768	55,370
Wichita.....	18,521	4,467	27,783	13,277
July 1939.....	321,623	69,233	423,113	569,565
June 1939.....	242,892	48,573	396,265	459,568
July 1938.....	316,386	53,328	258,232	527,078
7 Mos. 1939.....	1,965,021	371,719	2,892,303	3,768,023
7 Mos. 1938.....	2,030,911	384,340	2,269,902	3,934,161

#### PRICES

Under the pressure of expanding receipts in July and further increases in marketings in August, prices of slaughter livestock are at or near the lowest level this year. Prime finished beef steers in the first week of August sold up to \$10.35 a hundredweight as compared with \$13 early in June, while hogs and lambs have lost more than \$1.50 since late June. Prices of

grass fat steers, reflecting a broad feeder outlet, and stocker cattle prices are relatively strong. The rise in hog prices that began about the middle of June was short-lived and hog prices subsequently fell to a new five-year low of \$5.55 a hundredweight at the middle of August before rising above a \$6 level later in the month. During the first half of 1939 beef steer and lamb prices had generally been considerably above 1938 levels but beef steers are now fully \$2 a hundredweight lower than last year and lambs are about the same as a year ago. The disparity in hog prices, which have been below 1938 throughout the year, has recently been more than \$3 a hundredweight.

Top livestock prices at the Kansas City market:

	Aug. 22 1939	July 1939	June 1939	July 1938	July 1937	July 1936
	(In dollars per hundredweight)					
Beef steers.....	10.00	10.25	13.00	12.35	16.65	9.15
Stocker cattle.....	9.75	10.00	10.00	9.10	10.00	7.75
Feeder cattle.....	8.50	9.00	10.50	10.50	13.25	7.40
Calves.....	9.00	10.00	9.50	9.00	10.00	8.50
Hogs.....	6.15	7.05	7.10	10.05	12.75	10.85
Sheep.....	6.50	7.75	7.00	6.15	8.50	7.85
Lambs.....	8.25	10.10	10.40	9.35	11.10	10.60

STOCKERS AND FEEDERS

Shipments of stocker and feeder livestock from markets back to the country increased considerably during July. The movement was 12 per cent smaller than a year ago for cattle but was substantially heavier for other livestock. Shipments of calves and sheep were especially heavy, sheep being 19 per cent above and calves nearly three times the ten-year average. Cattle shipments were 6 and hogs 41 per cent below average.

July stocker-feeder shipments from four markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	5,702	561	80	18,231
Kansas City.....	36,194	12,940	1,925	12,820
Omaha.....	13,056	2,031	868	43,910
St. Joseph.....	3,161	768	1,387	4,888
July 1939.....	58,113	16,300	4,260	79,849
June 1939.....	36,343	11,044	4,636	50,095
July 1938.....	66,299	5,940	2,920	61,580
7 Mos. 1939.....	435,472	97,658	29,566	402,614
7 Mos. 1938.....	413,833	53,785	27,149	310,349

On August 1 the number of cattle on feed for market in Nebraska was 20 and in Kansas and Missouri 10 per cent larger than a year ago. However, cattle feeding operations are still much below pre-drought years, the number on feed in Kansas being only about one-seventh and in Missouri two-fifths of what it was at this time in 1933.

RANGES AND PASTURES

Dry, hot weather in July caused a sharp decline in the condition of ranges and pastures and some loss of flesh in cattle and sheep. Prospects for fall and winter grazing, however, were improved by rains late in July and early in August. Although there has so far been no forced liquidation of breeding stock, short

feed production and the rather poor condition of ranges in many sections are expected to increase fall marketings of cattle and sheep and to check somewhat the tendency to restock.

WOOL

Preliminary estimates indicate that the 1939 wool clip in the District was about 3 per cent larger than last year and 6 per cent above the 1928-37 average, reflecting chiefly an increase in the number of sheep shorn. Wool prices advanced during July to the highest level of the current season and are somewhat above the low level of a year earlier.

Department of Agriculture estimates of shorn wool production:

	WOOL PRODUCTION			SHEEP SHORN		
	1939	1938	Aver. '28-'37	1939	1938	Aver. '28-'37
	(Thousand pounds)			(Thousand head)		
Colorado.....	13,244	12,862	12,729	1,635	1,588	1,586
Kansas.....	3,733	3,566	3,261	472	485	462
Missouri.....	9,379	8,635	7,534	1,384	1,332	1,121
Nebraska.....	2,967	2,456	2,775	376	326	369
New Mexico.....	14,462	15,400	16,233	2,110	2,169	2,348
Oklahoma.....	2,106	1,938	1,208	260	228	153
Wyoming.....	32,932	31,389	30,510	3,395	3,236	3,274
Seven states.....	78,823	76,246	74,250	9,632	9,364	9,313
United States..	375,699	371,972	355,812	47,455	46,609	44,816

Farm Income

Cash farm income in the District in June was little changed from a year ago, a decrease of 8 per cent in income from crops being offset by substantially larger Government payments and a small increase in income from livestock. During the first half of 1939, receipts from the sale of crops were only 3 and livestock 2 per cent larger than last year but Government payments were half again larger and total income has increased 8 per cent. By states, Nebraska shows an increase for the year of 20 per cent, Wyoming 14, Colorado 7, Kansas 5, Oklahoma 3, and New Mexico and Missouri 2 per cent. The large increase for Nebraska is due mainly to large returns from commodity credit loans and sales of corn and that for Wyoming to increased returns from meat animals and wool. Income in Kansas and Missouri has been seriously affected by smaller returns from wheat and dairy products and in Oklahoma and New Mexico by greatly reduced income from cotton.

Department of Agriculture farm income estimates:

	June 1939	June 1938	6 Mos. 1939	6 Mos. 1938
		(In thousands of dollars)		
Colorado.....	6,146	5,139	47,230	44,131
Kansas.....	18,584	20,034	115,164	109,170
Missouri.....	18,171	20,187	106,060	103,650
Nebraska.....	15,235	13,861	112,478	93,909
New Mexico.....	2,583	1,629	13,123	12,908
Oklahoma.....	17,242	15,984	71,608	69,776
Wyoming.....	2,242	2,469	14,813	13,008
Seven states.....	80,203	79,303	480,476	446,552
United States.....	552,000	559,000	3,381,000	3,341,000

**Meat Packing**

Meat-packing operations in the District increased seasonally during July. Packers' purchases of hogs continue substantially above a year ago and purchases of cattle in July were 11 and sheep 3 per cent larger than last year. Purchases of calves, however, were 6 per cent smaller because of an abnormally heavy stocker and feeder demand that curtailed supplies available for slaughter. The slaughter of cattle was 12, calves 26, hogs 21, and sheep 11 per cent below the July ten-year average.

July packers' purchases at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	15,845	3,002	19,120	34,580
Kansas City.....	52,369	11,760	139,592	67,210
Oklahoma City....	18,013	11,784	25,493	12,065
Omaha.....	66,132	4,517	101,408	101,285
St. Joseph.....	19,808	3,576	60,968	47,769
Wichita.....	9,648	2,968	24,808	10,253
July 1939.....	181,815	37,607	371,389	273,162
June 1939.....	155,045	30,224	346,167	272,471
July 1938.....	172,632	39,971	220,284	264,114
7 Mos. 1939.....	1,122,446	223,719	2,535,399	2,184,559
7 Mos. 1938.....	1,169,423	272,471	1,999,206	2,211,816

**Cold Storage Holdings**

United States cold storage stocks of meats, poultry, and lard declined somewhat more than is usual during July, while stocks of eggs and butter increased less and cheese more than is usual. August 1 holdings of pork were about equal to the average for that date during the past five years, while stocks of beef were 31 and eggs 4 per cent below average. Stocks of lamb and cheese exceeded the average by 6, poultry 26, miscellaneous meats 12, lard 4, and butter 25 per cent. Total stocks of meat, although not far below recent years, are well below those prior to 1935.

United States cold storage holdings:

	Aug. 1 1939	July 1 1939	Aug. 1 1938	Aver. '34-'38
	(In thousands of units)			
Beef, lbs.....	33,491	33,591	35,925	48,265
Pork, lbs.....	454,958	496,796	378,981	460,339
Lamb and mutton, lbs.....	1,892	1,837	1,972	1,783
Poultry, lbs.....	65,138	67,470	52,640	51,613
Miscellaneous meats, lbs.....	68,948	68,452	60,808	61,724
Lard, lbs.....	139,941	148,377	123,677	135,119
Eggs, shell, cases.....	7,017	6,977	6,411	7,874
Eggs, frozen (case equiv.)..	4,086	4,042	3,867	3,746
Butter, creamery, lbs.....	165,094	131,609	173,257	131,751
Cheese, all varieties, lbs.....	119,291	98,850	134,351	112,102

**Flour Milling**

Operations at southwestern flour mills rose somewhat further during July but output for the month was slightly below average and was 6 per cent less than in July a year ago. Production for the first seven months of the year shows little change from last year. Flour sales were in large volume in July, particularly in the first half of the month when wheat prices dropped substantially below the Federal loan level,

but declined abruptly in the first week of August when prices showed further weakness.

Flour output reported by the Northwestern Miller:

	July 1939	June 1939	July 1938
	Change from (In barrels)		
Kansas City.....	600,000	+15,000	-80,000
Salina.....	225,000	-3,000	+6,000
Wichita.....	185,000	+13,000	+24,000
Other cities.....	1,042,000	-3,000	-75,000
Southwest.....	2,052,000	+22,000	-125,000
United States*.....	5,668,000	+78,661	-120,000

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

**Petroleum**

Preliminary estimates indicate that daily average crude oil production in the District in July remained at about the level of the four preceding months. Output for July, which was equal to the average of the past ten years, was 5 per cent above a year ago, but production for the year to date is still slightly below last year.

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

	July 1939		June 1939		July 1938	
	Gross	D. Av.	Gross	D. Av.	Gross	D. Av.
	(In thousands of barrels)					
Colo.....	123	4.0	122	4.1	109	3.5
Kans.....	5,364	173.0	5,218	173.9	4,869	157.1
N. Mex.....	3,371	108.7	3,204	106.8	2,927	94.4
Okla.....	13,924	449.2	14,241	474.7	13,941	449.7
Wyo.....	1,965	63.4	1,823	60.8	1,730	55.8
5 States.....	24,747	798.3	24,608	820.3	23,576	760.5
U. S.....	110,558	3,566.4	104,607	3,486.9	102,898	3,319.3

Stocks of crude petroleum produced in this District, which are at the lowest level of recent years, declined further in July. Reflecting in part relatively low gasoline prices, several major refiners early in August announced a reduction of 20 cents a barrel in posted prices of crude oil which had been unchanged since October, 1938, and are now the lowest since 1933. In an effort to protect the price of crude, all oil wells in Kansas, Oklahoma, New Mexico, Texas, Louisiana, and Arkansas were closed on August 16 for the balance of the month.

**Coal**

July production of bituminous coal in the District was slightly larger than a year ago and output for the year to date shows an increase of 3 per cent.

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

	July 1939	June 1939	July 1938
	Change from (In tons)		
Colorado.....	263,000	+55,000	+18,000
Kansas and Missouri.....	311,000	+107,000	-13,000
New Mexico.....	87,000	+22,000	-11,000
Oklahoma.....	35,000	+16,000	-32,000
Wyoming.....	346,000	+34,000	+49,000
Six states.....	1,042,000	+234,000	+11,000
United States.....	29,490,000	+1,590,000	+6,123,000

**Zinc and Lead**

July ore shipments from the Tri-State district continued much above a year ago, zinc shipments showing an increase of 11 and lead of 25 per cent.

July ore shipments from the Tri-State district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Kansas.....	8,202	\$ 246,407	1,139	\$ 62,813
Missouri.....	2,343	70,409	290	16,013
Oklahoma.....	18,044	541,946	2,420	134,573
July 1939.....	28,589	\$ 858,762	3,849	\$ 213,399
June 1939.....	34,486	1,034,576	4,538	245,749
July 1938.....	25,790	715,710	3,079	163,341
7 Mos. 1939.....	225,091	6,664,873	36,140	1,953,080
7 Mos. 1938.....	198,440	5,395,234	29,721	1,460,797

Reflecting stronger foreign and domestic metal markets and an extremely low level of stocks, zinc concentrate prices advanced \$1.50 and lead nearly \$3 a ton in the last week of July and the forepart of August to the highest level for zinc since last November and for lead since October, 1937.

**Employment and Pay Rolls**

Industrial employment and pay rolls in the District increased further from the middle of June to the middle of July when employment was 3 and pay rolls 5 per cent higher than a year earlier. So far this year, employment has averaged only 1 and pay rolls 3 per cent above 1938.

Preliminary figures of the Department of Labor:

	July 1939 per cent change from June 1939	
	Employment	Pay Rolls
Colorado.....	+3.4	-0.7
Kansas.....	+0.4	+1.1
Missouri.....	+1.4	+0.4
Nebraska.....	+0.6	+0.6
New Mexico.....	-0.4	+4.9
Oklahoma.....	Zero	-0.8
Wyoming.....	+0.1	-5.5
Seven states.....	+1.2	+0.1

**Building**

Value of construction contracts awarded during July in the Kansas City area (Nebraska, Kansas, Oklahoma, and western half of Missouri) was 19 per cent larger than a year ago. Awards so far this year, however, are only 8 per cent larger than last year because of a 37 per cent decrease in public works construction. In the first half of August awards were 12 per cent above a year ago.

Construction figures of F. W. Dodge Corporation:

	July	July	7 Mos.	7 Mos.
	1939	1938	1939	1938
	(In thousands of dollars)			
Residential building.....	3,233	2,345	24,637	17,074
Nonresidential building.....	2,398	2,375	22,404	20,178
Public works construction.....	3,590	3,052	13,579	21,526
Utility construction.....	1,519	1,252	12,616	9,014
Kansas City area.....	10,740	9,024	73,236	67,792
37 Eastern states.....	299,883	239,799	1,999,247	1,534,071

The value of building permits issued in reporting District cities declined rather sharply during July but remained 35 per cent above that for the same month a year ago. Value of permits for the year to date shows an increase of 52 per cent over last year.

July building permits issued in District cities:

	PERMITS		ESTIMATED COST	
	1939	1938	1939	1938
Albuquerque, N. Mex....	79	98	\$ 150,000	\$ 448,000
Cheyenne, Wyo.....	43	57	64,000	71,000
Colorado Springs, Colo....	59	32	47,000	15,000
Denver, Colo.....	670	566	843,000	550,000
Hutchinson, Kans.....	77	66	21,000	34,000
Joplin, Mo.....	43	16	77,000	19,000
Kansas City, Kans.....	46	35	56,000	30,000
Kansas City, Mo.....	182	116	300,000	306,000
Lincoln, Nebr.....	220	161	163,000	98,000
Oklahoma City, Okla....	178	131	502,000	343,000
Omaha, Nebr.....	163	152	281,000	266,000
Pueblo, Colo.....	66	69	42,000	60,000
Salina, Kans.....	18	16	42,000	40,000
Shawnee, Okla.....	11	6	12,000	9,000
St. Joseph, Mo.....	20	19	508,000	25,000
Topeka, Kans.....	75	55	100,000	62,000
Tulsa, Okla.....	154	125	426,000	244,000
Wichita, Kans.....	243	221	177,000	197,000
July.....	2,347	1,941	\$ 3,811,000	\$ 2,817,000
June.....	2,427	2,255	7,628,000	2,642,000
Seven months.....	14,796	13,370	29,446,000	19,436,000

**Lumber**

Board feet sales of lumber at reporting retail yards in the District increased from June to July but, as in the preceding month, sales were under a year ago, the July decline measuring 3 per cent. Total sales so far in 1939 now show an increase of only 5 per cent over the corresponding period in 1938.

Stocks of lumber, which tended to increase during July, are 6 per cent under a year ago. Collections in July averaged 33.7 per cent as compared with 34.1 per cent in June and 33.5 per cent in July last year.

Lumber trade at 152 retail yards in the District:

	July 1939 per cent change from June 1939	
	July 1939	July 1938
Sales of lumber, board feet.....	+8.5	-3.0
Sales of all materials, dollars.....	+1.2	-2.4
Stocks of lumber, board feet.....	+0.5	-6.4
Outstandings, dollars.....	-2.3	-1.2

**Life Insurance**

Life insurance sales in the District in July were 9 per cent smaller but in the first seven months of the year 5 per cent larger than a year ago.

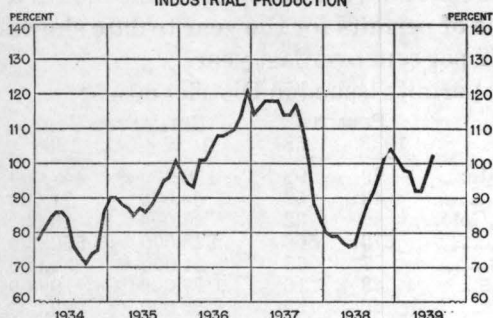
The Life Insurance Sales Research Bureau report:

	Change from		
	July 1939	June 1939	July 1938
	(In thousands of dollars)		
Colorado.....	4,110	-905	-678
Kansas.....	6,217	-470	-154
Missouri.....	15,086	-1,319	-397
Nebraska.....	4,307	-1,433	-1,012
New Mexico.....	1,017	+76	-27
Oklahoma.....	7,064	-846	-1,062
Wyoming.....	968	-94	-424
Seven states.....	38,769	-4,991	-3,754
United States.....	462,423	-62,502	+5,199

## NATIONAL SUMMARY OF BUSINESS CONDITIONS

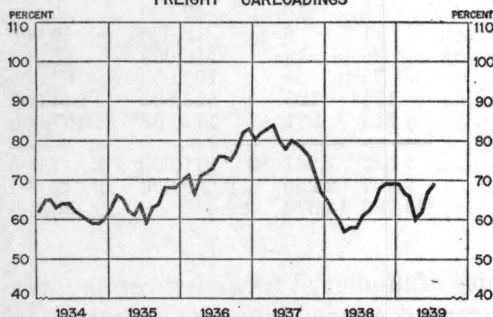
By the Board of Governors of the Federal Reserve System

## INDUSTRIAL PRODUCTION



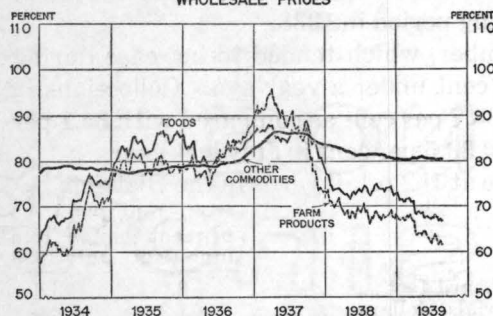
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1934, through July, 1939.

## FREIGHT CARLOADINGS



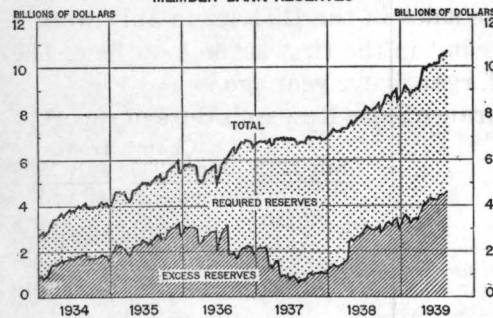
Index of total loadings of revenue freight, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1934, through July, 1939.

## WHOLESALE PRICES



Prices compiled by the United States Bureau of Labor Statistics, 1926=100. By weeks, 1934 through week ending August 12, 1939.

## MEMBER BANK RESERVES



Wednesday figures of total member bank reserve balances at Federal Reserve banks, with estimates of required and excess reserves, January 3, 1934, through August 16, 1939.

In July industrial activity, seasonally adjusted, rose sharply and was close to the level reached last December. Prices of some industrial materials increased in recent weeks while those for agricultural products continued to decline.

## PRODUCTION

The Board's index of industrial production, according to preliminary returns, advanced to 102 per cent of the 1923-1925 average in July as compared with 98 in June and 92 in April and May. The advance in July reflected chiefly a considerable further increase in output of iron and steel, which usually declines at this season. Steel ingot production rose from an average rate of 52 per cent of capacity in June to 57 per cent in July and in the first three weeks of August was maintained around 60 per cent which for the month would represent about the usual seasonal increase. Lumber production showed little change in July, although a decline is usual.

In the automobile industry output showed a sharp seasonal curtailment during July and the first half of August, reflecting preparations for the shift to new model production which will be made about a month earlier this year than in other recent years. Retail sales of new cars continued in excess of production and dealers' stocks were greatly reduced. Plate glass production declined sharply in July, following a substantial increase in June.

Changes in output of nondurable manufacturers in July were largely of a seasonal nature. At cotton textile mills and meat-packing establishments activity showed somewhat less than the usual declines and at sugar refineries output increased from the low level reached in June. Flour production continued in substantial volume.

Mineral production expanded further in July as output of bituminous coal continued to increase and petroleum production, which had been reduced in June, rose sharply. On August 14 the Texas Railroad Commission ordered a shutdown of most Texas oil wells for 15 days, beginning August 15, and subsequently similar shutdowns were ordered in several other important oil producing states.

Value of construction contracts, as reported by the F. W. Dodge Corporation, increased somewhat in July, owing principally to a small rise in contracts for public projects. Awards for residential work, both public and private, were practically unchanged from the June total.

## EMPLOYMENT

Factory employment, which usually declines in July, was maintained this year at about the June level and pay rolls showed a less than seasonal decrease, according to reports from a number of leading industrial states.

## DISTRIBUTION

Sales at department and variety stores in July showed about the customary seasonal decline. In the first half of August department store sales increased.

Freight carloadings increased further from June to July. Loadings of coal continued to expand and shipments of miscellaneous freight, which usually decline at this season, showed little change.

## COMMODITY PRICES

Prices of most farm products and foods declined from the beginning of July to the middle of August. Some industrial materials, principally steel scrap, nonferrous metals, and textile fabrics, showed advances in this period, while crude petroleum prices were reduced.

## AGRICULTURE

On August 1 prospects for major crops were about the same as a month earlier, according to the Department of Agriculture. The first official estimate on cotton indicated a crop of 11,400,000 bales, somewhat smaller than last year's crop and 2,400,000 bales less than the 1928-1937 average. World carry-over of American cotton, however, was estimated to have been somewhat larger on August 1 than the record volume of a year ago.

## BANK CREDIT

Total loans and investments of member banks in 101 leading cities increased substantially during the four weeks ending August 9, reflecting chiefly increases in holdings of United States Government obligations and the purchase by New York banks of a large share of a new issue of New York State short-term notes. Commercial loans continued to increase at New York banks but declined at banks in 100 other leading cities as corn and cotton loans that were approaching maturity were taken over by the Commodity Credit Corporation in accordance with a standing agreement. Deposits at reporting banks remained at high levels.

Excess reserves of member banks increased further to new high levels in the latter part of July and the first half of August, owing principally to gold imports and net Treasury disbursements, partly offset by a reduction in Federal Reserve bank holdings of Treasury bills.

## MONEY RATES

The average rate on new issues of 90-day Treasury bills has increased slightly in recent weeks and on August 10 was 0.032 per cent. Prices of Treasury bonds showed little change from the middle of July to the middle of August.