CROP and BUSINESS CONDITIONS

NINTH FEDERAL RESERVE DISTRICT

REPORT OF

JOHN H. RICH, FEDERAL RESERVE AGENT

TO THE

FEDERAL RESERVE BOARD

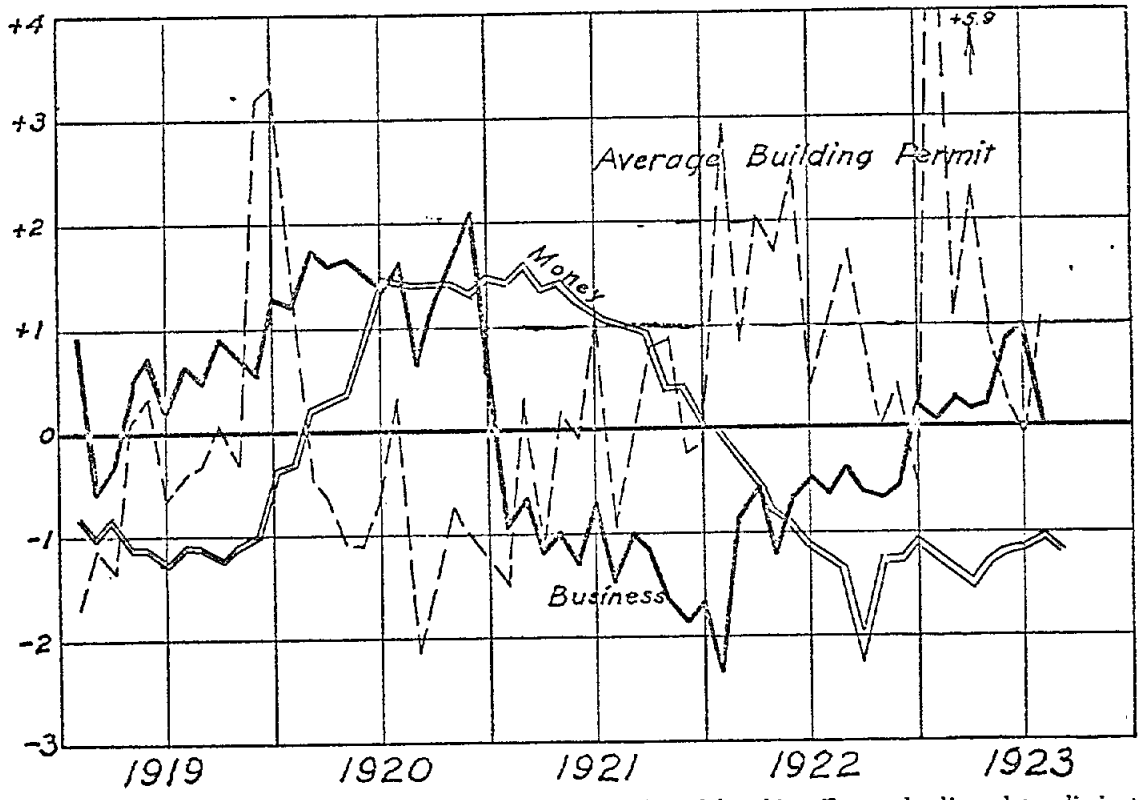
WASHINGTON, D. C.

CURTIS L. MOSHER
Assistant Federal Reserve Agent

J. F. EBERSOLE
Assistant Federal Reserve Agent

103rd Report MINNEAPOLIS, MINN. August 28, 1923

GRAPHIC SUMMARY OF URBAN BUSINESS CONDITIONS IN THE NORTHWEST



These curves have been constructed from data collected by this office and adjusted to eliminate seasonal influences except for money rates.

BUSINESS: The best single available index of general business is individual debits. These represent the aggregate dollar value of all payments made by bank checks, and therefore reflect both the volume of business and the prevailing prices. Nine representative cities for which we have consecutive figures are combined in this curve.

AVERAGE BUILDING PERMIT: The number and value of building permits granted are customarily accepted as indicative of prospective business activity. This graph, however, shows the average size of building permits for eighteen selected cities, thereby giving greater weight to the larger projects which are either started or deferred because of business considerations, and which have a determining influence upon the degree of activity in the building trades and in the supply of materials. To a certain extent this curve furnishes an index of business sentiment which is made up very largely of confidence in the stability of prices. The variation of building material prices, as compared with 1913 levels, has been eliminated in constructing this graph.

MONEY: Commercial money rates have been averaged for 13 varieties of paper in Minneapolis. National rather than local business conditions determine this rate, but it is an important consideration in local enterprises.

EDITORIAL NOTICE—This report is prepared monthly in the office of the Federal Reserve Agent for the purpose of providing the Federal Reserve Board with complete, accurate, and impartial information concerning business conditions in the Northwest. It is also printed for public use and will be mailed free of charge to anyone making request for it.

DISTRICT SUMMARY FOR THE MONTH

Typical midsummer dullness prevailed in business in this district during July. The volume of general business as measured by individual debits, however, declined more than a seasonable percentage. This was due to reductions in wholesale and retail trade, receipts of grain and livestock, manufacture of lumber and linseed products, and in mining. There were a few increases, such as wholesale trade in dry goods, flour mills production, and Soo Canal traffic. The total volume in nearly all branches of trade and industry is above the level of a year ago.

This recession in general business which characterized the month, was reflected in easier banking conditions. Although loans increased, they increased less rapidly than deposits, in representative city banks. The borrowings of these bankers declined and their holdings of securities were evidently being liquidated. A fractional decline in interest rates resulted from this ease. This Federal Reserve Bank, on the other hand, has experienced an increase in loans which is customary at this time of the year, in preparation for crop movement demands, such increase taking place only in loans to banks outside the larger cities.

The outlook for new business may to some extent be estimated by a consideration of projected building activity as shown by building permits and by stocks of merchandise on hand. The building permits increased in valuation more than one-third during the month, which coupled with a small seasonal decline in their number, increased the average building permit considerably for the month. These permits have kept up with the volume which prevailed a year ago. Stocks in the hands of lumber retailers are at the lowest point that has been reached during the last four years, but the stocks of lumber manufacturers increased slightly during the month. Merchandise stocks of retailers declined more than the seasonal amount for the month, but remained at high levels.

Agricultural conditions are rather difficult to estimate at this time of the year, because the crop, even where it has been harvested, has been threshed only in part. The results now being reported appear to be influenced very largely by local conditions, making general estimates hazardous. In addition to this there has been so much discussion, not to mention agitation, regarding the grain price situation, that one must indeed be careful not to mix fact with fancy in coming to conclusions. The prices of farm products at terminal markets declined during July but there were notable exceptions, such as the increases in prices of hogs, calves, corn, and barley. Possibly the continued discussion and agitation regarding agricultural conditions has depressed sentiment to such a point that present prices may indeed reflect a rather pessimistic conclusion regarding prospective market conditions when all crop returns become known and production in other countries has eventuated.

It is interesting to note the volume of current agricultural marketing, which is a reflection of production, when compared with the average for the past ten years. The variations shown by present conditions when compared with this ten year average indicate definite long time trends. For instance, wheat, rye, calves and hogs are being marketed in greater quantities; while oats, barley, flax, and possibly corn, are being marketed in smaller quantities.

TOPICAL REVIEWS

Crop Conditions: Small grains and potatoes in the northern half of this district suffered from the high temperatures during the latter half of July, which forced premature ripening, but lessened damage by rust. The growth of corn and late flax was forced rapidly along, putting both grains in excellent condition, but additional moisture was required. In the southern half of the district by August 1 the small grain harvest was well under way with the labor supply about equal to the demand. Well distributed showers and lower temperatures during the

AUGUST 1 FORECASTS WITH COMPARISONS
(In bushels; 000's omitted)

	Spring Wheat Forecasts		Spring Wheat Estimate	Winter Wheat Forecasts		Winter Wheat Estimate	Corn Forecasts		Corn Estimate	Oats Forecasts		Oats Estimate
	8-1-23	7-1-23	1922	8-1-23	7-1-23	1922	8-1-23	7-1-23	1922	8-1-23	7-1-23	1922
Minnesota	18,481	20,539	25,345	1,376	1,424	1,691	165,587	167,387	131,307	139,861	134,459	112,716
North Dakota	65,024	71,117	123,234	.....	.....	.....	20,981	18,818	18,700	56,257	53,073	76,804
South Dakota	24,732	32,976	38,188	588	617	1,824	131,355	129,270	110,038	80,784	78,336	74,100
Montana	47,152	42,106	39,881	6,239	5,946	6,369	8,925	8,120	5,475	22,889	20,735	19,200
Four States	155,389	166,738	226,648	8,203	7,987	9,884	326,848	323,595	265,520	299,791	286,603	315,150
Ninth District	156,198	166,983	227,082	8,954	8,614	10,614	343,350	339,019	282,352	324,591	309,464	341,574
United States	224,990	234,739	275,887	568,386	585,889	586,204	2,981,752	2,877,437	2,890,712	1,315,853	1,263,717	1,201,436

	Barley Forecasts		Barley Estimate	Rye Forecasts		Rye Estimate	Flax Forecasts		Flax Estimate	Potatoes Forecasts		Potatoes Estimate
	8-1-23	7-1-23	1922	8-1-23	7-1-23	1922	8-1-23	7-1-23	1922	8-1-23	7-1-23	1922
Minnesota	22,780	21,520	24,062	12,865	15,428	21,526	5,164	5,229	3,200	37,510	39,772	42,740
North Dakota	23,600	22,157	25,704	9,493	10,125	24,506	9,038	8,328	5,460	12,621	11,951	17,520
South Dakota	24,000	24,333	21,896	3,377	3,889	7,902	3,380	2,864	1,834	8,730	8,294	8,580
Montana	2,091	1,924	1,925	1,150	1,326	1,827	1,170	1,082	889	4,755	5,130	5,796
Four States	72,471	69,934	73,587	27,885	30,768	56,161	18,752	17,503	11,383	63,616	65,147	75,936
United States	202,032	198,105	186,118	64,774	68,704	95,497	19,074	17,966	11,668	379,558	381,726	451,185

st half of August benefited standing grain and tatoes but proved disastrous to shocked grain. Reports have been received of too much rain for threshing, some reports stating that the grain is sprouting the shock. The quality of spring wheat is generally unsatisfactory, one expert reporting the bread eats as only a "No. 3 Crop." By August 15 corn, x and potatoes had received enough moisture to ture the crop throughout the entire district except for local dry spots which were unimportant. In thern Minnesota and South Dakota, the small in harvest was completed and the early threshing urns are in line with estimates formerly published. e wheat harvest in North Dakota was well advanced. Spring wheat in Montana in contrast with ter wheat had matured rapidly, and indicated od yield and quality except in eastern and northtern districts. Hail and grasshopper damage in ntana has been small and limited in area.

Manufacturing in the large industries of this dist showed mixed developments during July. Flour lling showed an increase of about one-eighth in tput between June and July, which is more than average increase during the last four years, and ur shipments from Minneapolis reflected the same dition. Flour output and shipments, however, re about one-tenth below the July figures a year . For linseed oil and oil cake there were not h favorable developments. Linseed oil shipments wed a slight recovery from last month's extreme ression, but even so, sales have been lower than July in only nine months since 1911 and only ce lower in the month of July, namely in 1922, in 1911. The statement that there was a slight overy from last month refers to the fact that ile there was a decline of nearly 18 per cent. in ments between the two months, the decline was than the seasonal amount. Oil cake shipments reased slightly less than the seasonal amount been June and July, and these shipments were three es as large as shipments in July last year, which e at the lowest level of recent years. Lumber nufacturing operations did not improve between e and July. There were declines of one-sixth in ments and one-eighth in new orders received, h of which appear to be abnormally large deses. Stocks of lumber increased 7 per cent dur- July and the cut of lumber declined one-eighth n the June total, whereas a year ago the July ks and cut were about as large as in June. As pared with July a year ago, July shipments this r were down one-fifth and orders were down third, while stocks were very nearly as large and lumber cut was one-fifth larger.

Coal receipts at Duluth-Superior Harbor during were slightly larger than during June on account of a larger movement of hard coal, and July receipts were nearly twenty times as large as ipts in July last year. Receipts from the open- of navigation to the end of July have been en times as large as during the same period last r. Indeed, more hard and soft coal have been received during this period than during the whole 1922 shipping season and both hard and soft coal receipts for the period referred to in 1923 are larger than average receipts during the similar period in the five years immediately before 1922, the increase for both varieties combined being about 44 per cent.

Mining output during July in this district was slightly less for copper, gold and coal, and one-fifth less for silver than during June, but production, with the exception of silver, was greater than during July a year ago. Iron ore shipments down the lakes during July were only 10 per cent. greater than during June, making the shipments to August 1 this season little more than one and one-half times the shipments to August 1 a year ago, whereas the 1923 season was almost double the 1922 season on July 1.

Building permits in eighteen cities of this district declined 15 per cent. in number and increased 36 per cent. in valuation, between June and July. Both movements were seasonal in direction, but the increase in valuation was greatly larger than normal. In consequence there was a substantial increase in the average building permit. The number of permits issued in July was about as large as the number in July last year, but the valuation of this year's July permit was 16 per cent. above that of a year ago.

Receipts of all grains combined at Minneapolis and Duluth-Superior declined one-fourth between June and July with all grains showing declines. This was a seasonal occurrence for every grain except oats and flax. As compared with last year, flax receipts were twice as large, and rye and barley receipts were somewhat larger, but wheat receipts were slightly smaller, and receipts of corn and oats were much smaller. As compared with the ten-year average, receipts of wheat and rye were slightly larger, but oats, barley and flax were very much below. Corn receipts were below the average level of the last four years.

Livestock receipts at South St. Paul exhibited seasonal tendencies during July. Sheep receipts were three times as large as in June and cattle receipts were three-fourths larger, but calf and hog receipts were smaller. As compared with a year ago, receipts of calves and hogs were larger in July this year, but cattle and sheep receipts were smaller. Receipts of hogs and calves were also much above the ten-year average for July and cattle receipts were slightly above this average, while sheep receipts approximated the ten-year average for the month.

Shipments of feeders increased between June and July through a doubling of the number of feeder sheep shipped and an increase of three-fourths in the number of cattle shipped. Shipments of feeder hogs and calves were much smaller in July than in June. As compared with last year in July, shipments of feeder hogs were one-third larger, but other feeder shipments were much smaller.

The majority of farm product prices at northwestern terminal markets declined between June and July. The chief exceptions were calves, hogs, corn and barley. Among the grains, declines took place in median prices as follows: Wheat, 3⅞ cents; oats, 2½ cents; rye, 4⅜ cents; and flax, 11½ cents per bushel. Corn increased 3⅞ cents and barley one-half cent per bushel. In six representative livestock price medians, there were four declines as follows; butcher cows and heifers 50 cents, butcher steers 50 cents, stock and feeder steers 25 cents and lambs $2.25 per cwt. Veal calves increased $1.50, and hogs 25 cents. Owing to the greater increase in corn prices than in the price of hogs, there was a slight decline in the ratio between hogs and corn prices at central markets so that the hog raiser had a margin during July of only 4 per cent. to cover all production and marketing costs other than corn.

Stocks of grain in northwestern terminal elevators at the end of July were more than one-fourth less than at the end of June, but somewhat larger than at the end of July last year. Between June and July stocks of all grains were reduced and corn and flax stocks in particular diminished to negligible quantities. The bulk of stocks at the end of July was composed of wheat and rye and to a lesser extent oats. A year ago, oats constituted four-fifths of the total stocks and wheat and corn comprised the largest part of the remainder. Rye stocks a year ago were only one thirty-seventh as large as rye stocks at the end of July this year.

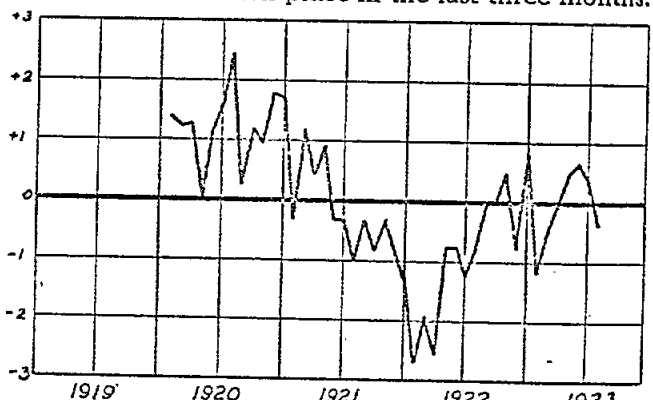
The volume of business in this district during July as measured by debits to individual accounts of banks in nine representative cities, declined 9 per cent. from the volume in June, which is much more than the normal seasonal decline of 1 per cent. However, the July debits were considerably larger than the debits in July, 1921 or 1922, showing that the gains made in the last year and a half in the volume of business have not been lost.

Soo Canal traffic, both east and westbound, showed slight increases in July over June. Iron ore, flour, and lumber were responsible for the larger eastbound movement and the increased volume of coal coming up the lakes accounted for the westbound increase. As compared with a year ago, there was an increase of 12 per cent. in eastbound traffic on account of larger shipments of iron ore, lumber, flour, and grain other than wheat, and eastbound traffic was more than eight times as large, due to the greatly increased coal shipments.

Business failures during July, as reported by R. G. Dun & Company, showed a slight decline in number from the June figures and a larger decline in liabilities, but both number and liabilities were larger than in July of last year. The numerical figures for July were 71 failures with liabilities of $1,163,446.

Wholesale trade during July showed seasonal declines in groceries, hardware, and shoes, with the largest decline occurring in the last named. Firms selling farm implements reported sales more than double their June figures, largely on account of the sales of binder twine which occur at this time of the year. Dry goods firms also more than doubled their June sales, which compensates for the decline between May and June, when normally there is a pronounced increase. As compared with last year, dry goods sales during July were 50 per cent. larger on account of the buying deferred from June, which was referred to above, and sales of groceries, hardware and shoes were slightly larger, but farm implements sales were one-seventh smaller.

Retail trade in the Northwest appears to have suffered a decline in July which was more than the seasonal amount, in both urban and rural communities. Sales of representative department stores in this district showed a decline of 26 per cent. between June and July as compared with the estimated normal decline of 23 per cent. Retail lumber sales, outside of Minneapolis, St. Paul and Duluth, which furnish a good index of retail trade in country communities, declined 29 per cent. between June and July as compared with an estimated normal decline of 26 per cent. Department store sales in July were slightly larger than during the same month in 1921 and 1922, but smaller than in 1920, while retail lumber sales were smaller than in 1919, 1920 and 1922 in July, and very slightly larger than in July, 1921. Stocks of goods held by retailers declined during July and this decline was slightly more than the seasonal amount for both department stores and lumber yards. Retail lumber stocks continue to remain at about the lowest level of the last four years, but department store stocks, although smaller than in 1920, continued to be somewhat higher than in 1921 or 1922 in spite of the more than seasonal decline which has taken place in the last three months.



Sales of General Merchandise at Twenty-five Stores in the Ninth Federal Reserve District, Adjusted by Elimination of Seasonal Influences

Banking conditions in northwestern cities at the end of July showed a somewhat easier situation than at the end of June, for, while loans increased, there was a more than corresponding increase in demand and time deposits and a considerable decline in bor-

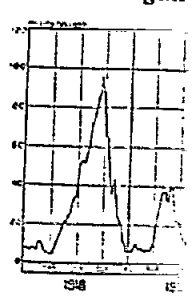
rowings. In t
ber banks in t
creased one
weeks ending
almost two a
increased two
ings from this
two millions
there were de
lions in gover
dollars in sec
ending Augu
decline in lo
and demand
same in total
was a decline
time deposits.
a further two
holdings wer
lions.

Savings de
Duluth were
as on the firs
larger than a

Commercia
clined 9 per
third month
peak. The v
ing on July 3
ago, but sma
July of 1920

Prevailing
during the m
quotations by
fractional decl
bank loans, c
cured by gov
creases in end
ances.

This Feder
crease of one
member bank
25. This inc
rowings from
namely North
sota, outside
nounced decli
and Michigan



Federal Reser

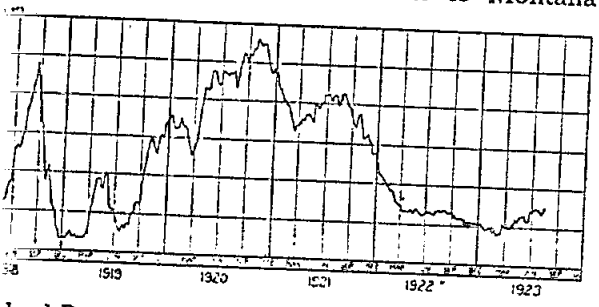
rowings. In the balance sheets of 28 selected member banks in the larger cities of the district, loans increased one and one-half millions during the four weeks ending July 25. Demand deposits increased almost two and one-half millions and time deposits increased two and three-fourths millions. Borrowings from this Federal Reserve Bank declined almost two millions during this period. At the same time there were declines of nearly two and one-third millions in government deposits and almost one million dollars in security holdings. During the two weeks ending August 8, these same banks experienced a decline in loans equal to the increase during July and demand and time deposits remained about the same in total as at the end of July although there was a decline in demand deposits and an increase in time deposits. Borrowings from this bank declined further two and three-fourths millions and security holdings were reduced one and three-fourths millions.

Savings deposits at Minneapolis, St. Paul and Duluth were about as large on the first of August as on the first of July. The total was 12 per cent. larger than a year ago.

Commercial paper outstanding in the district declined 9 per cent. during July, continuing for the third month the seasonal decline from the April peak. The volume of commercial paper outstanding on July 31 was larger than the volume a year ago, but smaller than the volume at this time in July of 1920 and 1921.

Prevailing interest rates showed a small decline during the month ending August 15 according to quotations by three Minneapolis banks. There were fractional declines in prime commercial paper, interbank loans, cattle loans, and commercial loans secured by government obligations and fractional increases in endorsed and unendorsed bankers acceptances.

This Federal Reserve Bank experienced an increase of one-half million dollars in borrowings by member banks during the four weeks ending July 29. This increase was due entirely to larger borrowings from the rural sections of the district, chiefly North Dakota, South Dakota and Minnesota outside of the Twin Cities. There was a pronounced decline in Twin City and in Wisconsin and Michigan borrowings, and loans to Montana banks declined slightly. Member bank reserve deposits increased three millions during this period and the cash reserves of this bank increased four millions, while security holdings dropped one and one-third millions. Federal Reserve notes in circulation were one and one-fourth millions larger on July 25 than on June 27, largely on account of the increase in note issue to furnish pocket money for the July 4 holiday. It is interesting to note that while there has been some return of notes after the holiday week, the larger denominations, 20's, 50's and 100's, did not return in any quantity, and are probably being held in larger quantities by banks as concentrated reserves.



Federal Reserve Accommodation to the Ninth District

During the three weeks ending August 15, there was a further increase of nearly one and one-half millions in borrowings at this bank by member banks bringing the total loans of this bank to a point higher than at any time since March, 1922. This increase appears to be a normal seasonal movement at this time of the year incident to moving the crops. Federal reserve notes in circulation declined three-fourths millions during the three week period and reserves declined nearly two and one-half millions, but member bank deposits increased one million and security holdings increased one-half million.

WHEAT CROP YIELD MAPS

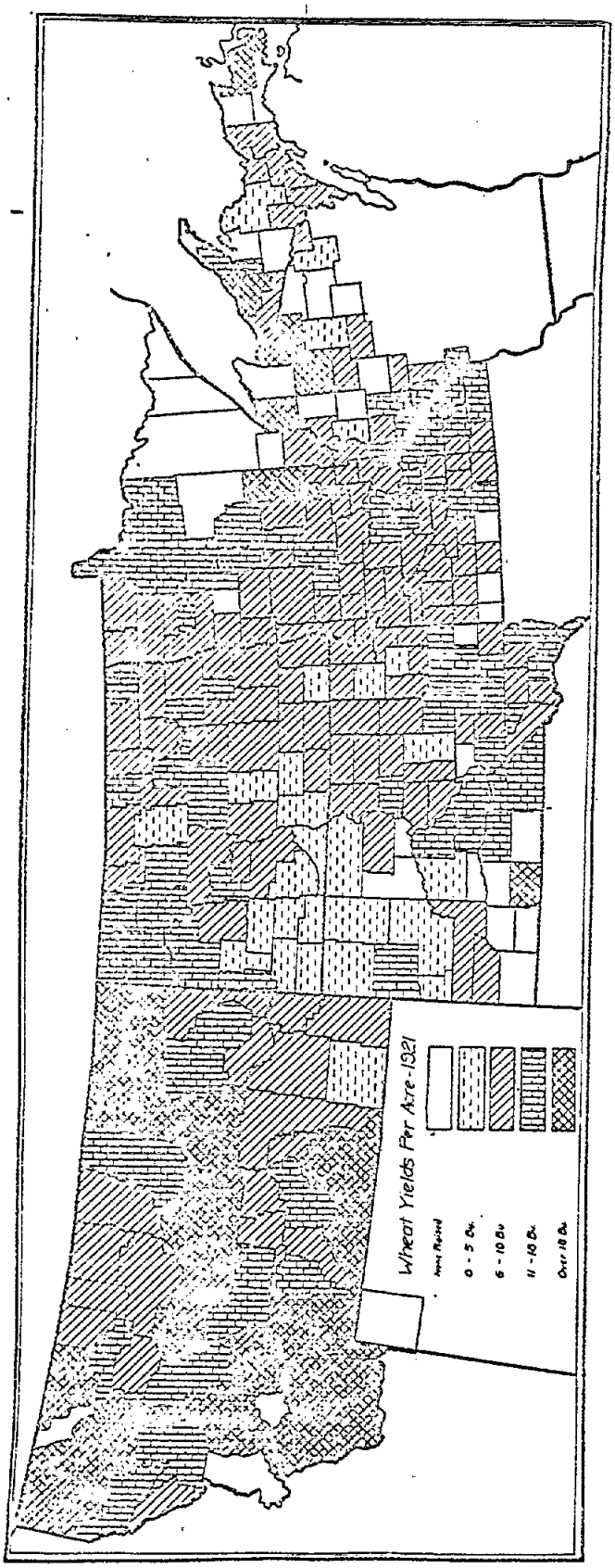
For several years we have been receiving reports from about one thousand bankers in this district, covering their estimates of the yields per acre of wheat harvested in their respective counties. Following our usual custom the yields for recent years are shown in the accompanying maps so that the reader may make comparison of conditions in recent years for such counties as he may desire.

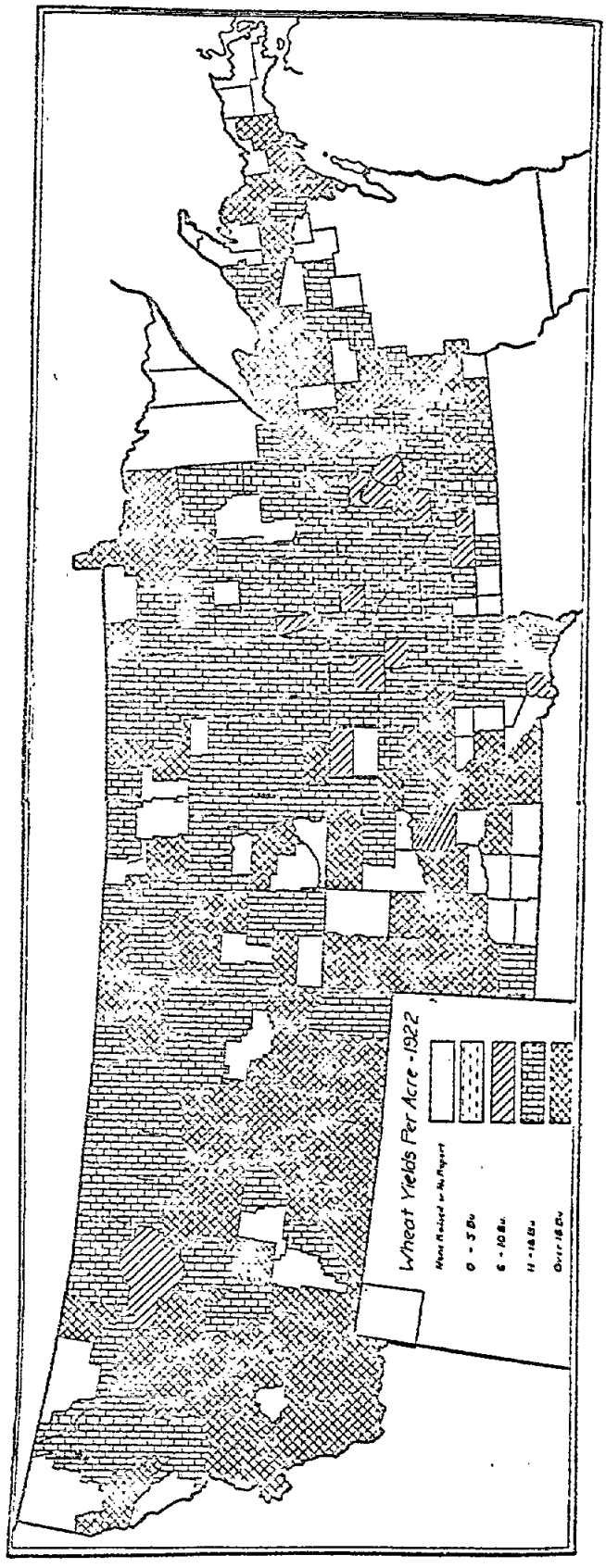
The reader should be warned emphatically not to interpret this map as portraying the total amount of wheat raised in any county. A county shaded to represent a yield of over 18 bushels per acre might have a small total production, owing to a large portion of its territory being mountainous or wooded, and in southeastern South Dakota and southern Minnesota, wheat might not be the principal crop, and for that reason the total production would be small. The reader should also be cautioned not to assume that crops are uniformly good in a county which is heavily shaded. Local conditions in one township may not be important enough in the total estimate for the county to be noted on this map.

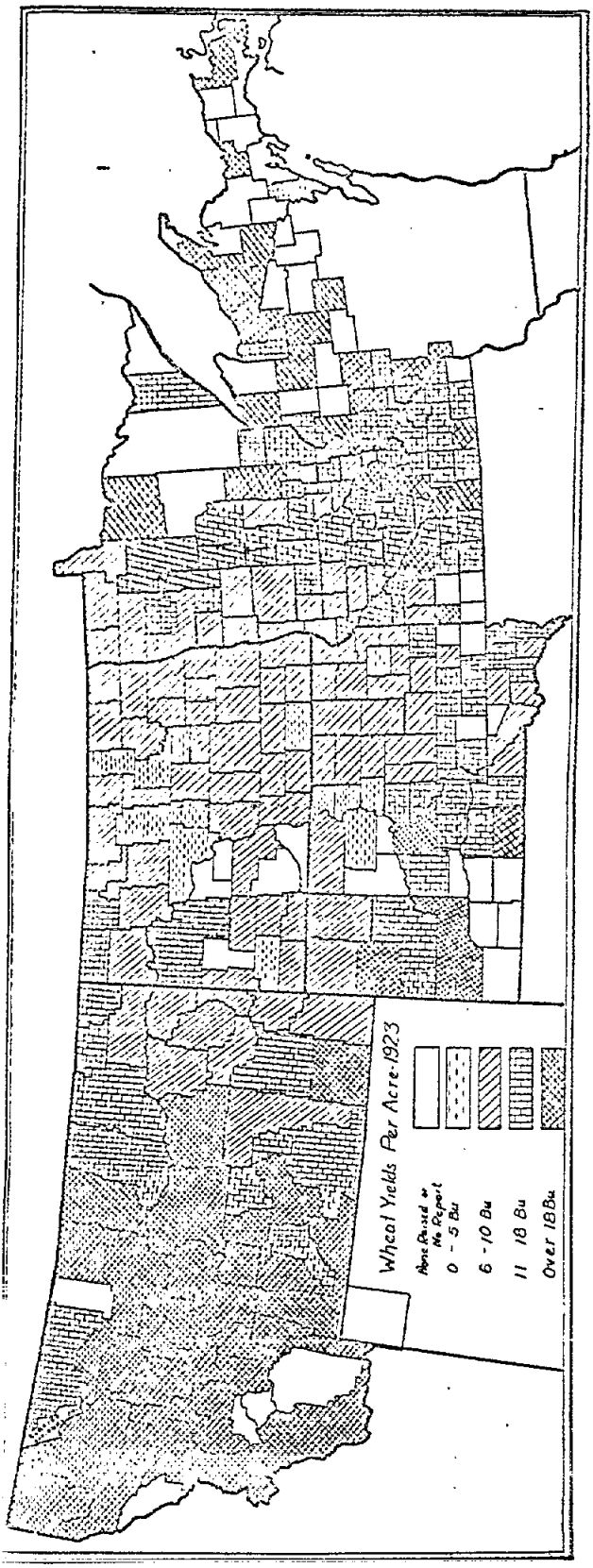
The map for this year shows greater differences between adjoining counties than last year, particularly in Minnesota and the Dakotas. Most of these bankers in their reports have carefully reviewed all information available. As a result, the several reports from each county have been found in substantial agreement.

County yields in Minnesota for 1923 average lower than for 1922, but better than 1921. The

(Continued on Page 7)


Wheat Yields Per Acre - 1921
0 - 5 Bu.
6 - 10 Bu.
11 - 10 Bu.
Over 10 Bu.


Wheat Yields Per Acre - 1922
0 - 5 Bu.
6 - 10 Bu.
11 - 10 Bu.
Over 10 Bu.



(Continued from Page 5)

Red River Valley district, all of which was in the 11 to 18 bushel classification in 1922, now has from 6 to 10 bushels. No counties in the Red River Valley, however, have reported less than 6 bushels, and the majority have reported 8 to 10 bushels.

Central Minnesota has about the same yields as for 1922, but some of the largest producing counties report a yield placing them in a lower classification.

Southern Minnesota yields appear better than either 1921 or 1922, but in the counties reporting over 18 bushels, the spring wheat crop is of minor importance.

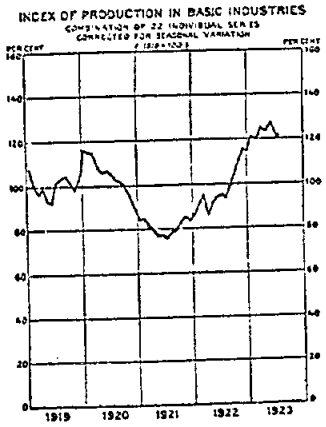
It is highly significant that in counties where diversified farming is practiced, or where dairy cows and poultry are well established, the growers are much better satisfied with their field crops, even though not unusually high, than in counties where wheat and other field crops only are raised.

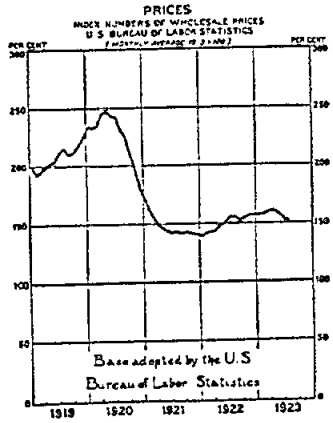
Wheat yields in North Dakota were influenced by lack of moisture and excessive heat during the growing season and in addition, late fields were injured by rust, particularly along the eastern and southern borders of the state. Consequently, quality as well as yield is poor in these sections. In the central part of the state, however, the quality of the grain is reported good.

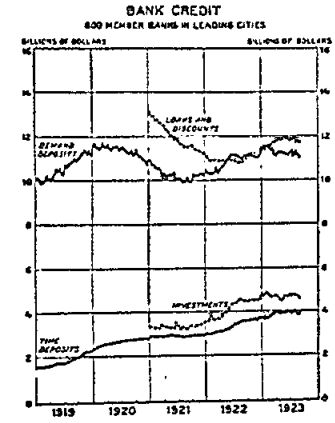
Eight counties in North Dakota report yields of 5 bushels or less per acre for 1923, as compared with none in 1922, and 13 in 1921. Four northwestern counties report 11 bushels or over for 1923, whereas no counties reported less than 11 bushels in 1922, and 15 counties reported 11 bushels or over in 1921. The remaining 36 counties, including the most important wheat producing counties in the state, report yields from 6 to 10 bushels this year, whereas none reported so low a yield in 1922, and but 25 counties so reported in 1921.

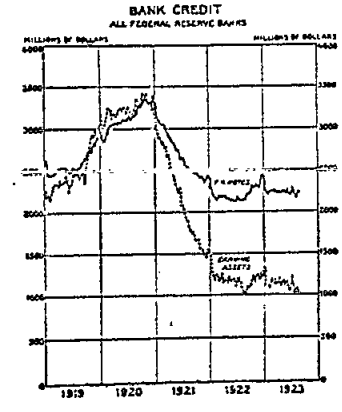
South Dakota yields were influenced less than North Dakota yields by lack of moisture, but rust affected yields in some counties and lowered the grade in others. In the spring wheat producing counties yields averaged less than last year but are a little better than in 1921.

Except along the eastern border of the state, Montana shows better yields per acre than in 1922 or 1921. Nine eastern counties report yields of 6 to 10 bushels this year, of which five reported 11 to 18 bushels and three over 18 bushels in 1922. In the central, western, north central and northwestern portions of Montana only two counties report 18 bushels or less this year.









Summary of National Business Conditions

(Compiled August 24 by Federal Reserve Board)

Production of basic commodities and employment at industrial establishments decreased in July and there was a further decline in wholesale prices. The distribution of goods, as indicated by railroad freight shipments maintained record totals and the sales of merchandise though showing the usual seasonal decline continued to be relatively heavy.

PRODUCTION in basic industries, according to index of the Federal Reserve Board, declined one per cent. in July. Mill consumption of cotton, steel ingot production and sugar meltings were considerably smaller than in June. New building operations during the month, as measured by the value of permits granted and of contracts awarded, showed more than the usual seasonal decline.

Employment at industrial establishments located in various sections of the country decreased two per cent. during July. Manufacturers of automobile tires and cotton goods showed large reductions in number of employes. There were some further announcements of wage advances, but these were not as numerous as in three previous months. Average weekly earnings of factory workers, due to a decrease in full time operations, were 3 per cent. less than in June.

Crop forecasts of the Department of Agriculture on the basis of condition on August 1, indicated that yields of wheat and rye would be below July estimates, while larger yield of cotton, corn, oats and barley were forecast. Due to seasonal increase in grain shipments and continued large shipments of industrial raw materials and manufactured goods, car loadings in the last week of July reached the largest total on record.

TRADE: The volume of wholesale trade was about the same in July as in June while there was a decline in retail trade, which was largely seasonal in nature. Among the wholesale lines, sales of dry goods and clothing were larger than in June, while sales of groceries, hardware and shoes were considerably smaller. Business in all reporting lines was larger than in July, 1922, and the average increase, as indicated by the Federal Reserve Board's index of wholesale trade was 13 per cent. Sales of department stores were 10 per cent. larger than a year ago, while mail order sales showed a gain of 27 per cent. Stocks of department stores showed a seasonal reduction during July and were smaller than in any month since January.

WHOLESALE PRICES: Wholesale commodity prices declined during July for the third consecutive month and the index of the Bureau of Labor Statistics was 5 per cent. below the April peak. Prices of all groups of commodities, except house furnishings, were lower in July. The largest declines occurred in quotations of clothing, drugs and chemicals, farm products, and building materials. During the first half of August price changes were more moderate and quotations of cotton, spring wheat, hogs, sheep, and rubber, advanced.

BANK CREDIT: Since the middle of July the volume of bank credit in use has been reduced, largely because of the substantial liquidation of loans on stocks and bonds at New York City banks. Between July 18th and August 15th loans of member banks in leading cities secured by stocks and bonds decreased by $94,000,000 to the lowest point for the year, which was $258,000,000 below the amount outstanding at the beginning of the year. Commercial loans, however, increased so that the net reduction in total loans for the period amounted to $60,000,000. Security investments declined $73,000,000 to a new low level for the year.

The volume of discounted paper held at the Federal Reserve Banks showed a slight decrease, while their holdings of acceptances and United States securities reached new low points for the year. Between the middle of July and the middle of August, gold holdings of the Federal Reserve Banks increased by $21,100,000, reflecting, in part, net gold imports during July of $274,000. Federal Reserve note circulation increased by about $15,000,000 and there were also substantial increases in the volume of gold certificates and national bank notes in circulation.

Slightly firmer tendencies in money rates during the month were reflected in a gradually increasing proportion of commercial paper sales at 5¼ per cent., as compared with 5 per cent. in the previous month.