

THE MONTHLY REVIEW

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

FEDERAL RESERVE BANK OF KANSAS CITY

Vol. 17

KANSAS CITY, MO., DECEMBER 1, 1932

No. 12

OCTOBER witnessed the most severe decline in grain prices so far experienced for this year's crop. Wheat declined to an all-time low and corn to the lowest levels since 1896.

Livestock values, with the exception of sheep and lambs which closed steady, were also lower for the month, hogs closing only 20 cents per hundredweight above the thirty-five year low of last May, and beef steers the lowest for the season in over twenty years. Prices of dairy products and eggs showed little change during the month, but the latter advanced rapidly the forepart of November.

Crop prospects are little changed from one month ago with the exception of white potatoes, which suffered further injury as a result of early freezes in Colorado, Wyoming, and Nebraska. Winter wheat seedings in western areas continue backward, due to a lack of moisture, with present prospects indicating that the eventual acreage seeded will not equal earlier planting intentions. Additional moisture supplies are needed generally.

Contrary to seasonal trends, department store sales declined in October as compared to September, but the decline was largely accounted for by the unusually favorable weather conditions prevailing throughout the earlier month. Sales as compared to a year ago declined 19.2 percent. This decline although somewhat larger than that reported for September, was otherwise the smallest recorded for any preceding month since March. Hardware was the only one of five reporting wholesale lines to show an increase in sales for the month, with wholesalers of dry goods reporting a slight increase as compared to October a year ago.

Flour and soft coal production increased seasonally and zinc ore shipments were larger for the month. The output of flour, petroleum, bituminous coal, and cement was lighter than a year ago, but shipments of zinc ore and lead ore were heavier.

Further improvement in the number of business insolvencies was noted. Liquidation at member banks continued.

Member Bank Operations

The combined statements of fifty-four reporting member banks, in leading cities of the District, as of November 9 reflect a slight decrease in the four weeks since October 12 in loans and discounts of all classifications, thus establishing new low levels for recent years. Total loans and discounts held on November 9 this year were 25.4 percent smaller than reported November 10 last year, with loans secured by stocks and bonds declining 14.6 percent and "all other" loans 29.4 percent.

Total investment holdings showed little change in four weeks or fifty-two weeks. A decrease of 11.2 percent in investments in other bonds, stocks, and securities since November 10, 1931, was practically counteracted by an increase of 10.8 percent in investments in United States Government securities.

BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT

Percentages of Increase, or Decrease (—), for October 1932 over September 1932 and October 1931 and for the first ten months of 1932 over the like period in 1931.

	October 1932 Compared to		10 Months 1932 Compared to
	Sept. 1932	Oct. 1931	10 Months 1931
Banking			
Payments by check, 29 cities.....	— 3.0	—24.2	—28.0
Federal Reserve Bank clearings.....	9.4	—23.0	—26.1
Business failures, number.....	—15.6	—17.6	12.6
Business failures, liabilities.....	—43.4	—20.4	49.5
Loans, 54 member banks.....	— 1.0	—25.4	.....
Investments, 54 member banks.....	— 0.1	— 0.4	.....
Net demand deposits, 54 member banks	— 1.3	—13.7	.....
Time deposits, 54 member banks.....	0.3	— 5.0	.....
Savings deposits, 49 selected banks.....	— 0.5	— 7.9	.....
Savings accounts, 49 selected banks.....	— 0.1	— 2.3	.....
Distribution			
Wholesalers' sales, 5 lines combined.....	— 5.3	—15.5	—22.8
Retailers' sales, 35 department stores....	— 1.7	—19.4	—22.1
Lumber sales, 161 retail yards.....	— 0.7	—30.7	—36.1
Construction			
Building contracts awarded, value.....	13.2	115.3	—49.8
Residential contracts awarded, value....	21.5	—44.7	—62.5
Building permits in 18 cities, value.....	—34.6	—77.1	—73.1
Production			
Flour.....	4.0	— 8.8	— 3.5
Crude petroleum.....	1.9	—11.0	—11.2
Soft coal.....	31.0	— 1.5	—13.2
Zinc ore (shipped) Tristate District....	90.6	49.3	—31.6
Lead ore (shipped) Tristate District....	—18.8	31.3	—18.5
Cement.....	—10.4	—10.2	—38.8
Grain receipts, 5 markets			
Wheat.....	—25.1	—54.1	—40.1
Corn.....	4.5	4.9	—66.4
Oats.....	0.1	17.6	—20.0
Rye.....	—26.1	212.7	20.6
Barley.....	—48.2	—85.5	—51.9
Kafir.....	127.5	— 6.2	19.4
Livestock receipts, 6 markets			
Cattle.....	7.8	— 4.7	— 7.8
Calves.....	58.7	7.5	— 4.8
Hogs.....	—12.0	3.7	9.0
Sheep.....	2.0	—23.5	— 9.2
Horses and mules.....	50.5	55.2	— 3.0
Meat packing, 6 markets			
Cattle.....	2.1	1.7	— 5.1
Calves.....	20.1	11.5	— 4.5
Hogs.....	—12.5	17.7	20.7
Sheep.....	— 7.4	—19.4	— 8.6
Stocker and feeder shipments, 4 markets			
Cattle.....	7.4	—18.0	—12.1
Calves.....	89.2	15.1	9.4
Hogs.....	—30.1	—83.6	—53.0
Sheep.....	49.2	—41.0	—46.8

Net demand deposits continued to decline and on November 9 were reported at \$336,984,000 as compared to \$390,404,000 on November 10 last year. Time deposits increased 0.3 percent in four weeks but declined 5 percent in fifty-two weeks.

Principal resource and liability items of the fifty-four banks, as of November 9, are shown below with comparisons:

	Nov. 9, 1932	Oct. 12, 1932	Nov. 10, 1931
Loans and investments—total.....	\$51,182,000	\$518,041,000	\$601,696,000
Loans and discounts—total.....	251,383,000	253,944,000	336,921,000
Secured by stocks and bonds.....	77,876,000	78,208,000	91,181,000
All other loans and discounts.....	173,507,000	175,736,000	245,740,000
Investments—total.....	263,799,000	264,097,000	264,775,000
U. S. securities.....	144,146,000	144,448,000	130,095,000
Other bonds, stks, and sec.....	119,653,000	119,649,000	134,680,000
Reserve with F. R. bank.....	43,263,000	40,883,000	45,967,000
Net demand deposits.....	336,984,000	341,489,000	390,404,000
Time deposits.....	181,224,000	180,745,000	190,823,000
Government deposits.....	6,963,000	7,380,000	2,024,000

Federal Reserve Bank Operations

The Federal Reserve Bank of Kansas City and branches held \$16,550,506 of bills rediscounted for member banks at the close of business November 9, as compared to \$16,733,414 on October 12 and \$35,012,804 on November 10, 1931. Holdings of bills purchased were \$889,100, a slight reduction for the month and a reduction of \$35,187,502 from November 10 of the preceding year.

No change of any consequence has been made since the forepart of July in this bank's holdings of United States Government securities, but the November 9 total of \$57,252,500 shows an increase of \$37,737,900 over holdings as of November 10, 1931. Federal reserve note circulation declined 1.3 percent in four weeks but the total was 13.5 percent higher on November 9 than one year earlier. Member banks' reserve deposits, which increased 4.1 percent in four weeks, decreased 10.5 percent in fifty-two weeks.

Principal items contained in the weekly condition statements of this bank and branches:

	Nov. 9, 1932	Oct. 12, 1932	Nov. 10, 1931
Gold reserves.....	\$ 84,016,532	\$ 82,272,321	\$ 64,342,489
Reserves other than gold.....	5,297,100	4,566,292	7,645,529
Total reserves.....	89,313,632	86,838,613	71,988,018
Bills discounted.....	16,550,506	16,733,414	35,212,804
Bills purchased.....	889,100	894,621	36,076,602
U. S. securities.....	57,252,500	57,252,100	19,514,600
Total bills and securities.....	74,692,106	74,880,135	90,604,006
Total resources.....	189,087,933	197,313,415	195,231,484
F. R. notes in circulation.....	90,810,065	92,028,215	80,033,310
Member banks' reserve deposits	65,240,394	62,697,436	72,915,385

The discount rate of the Federal Reserve Bank of Kansas City, on all classes of paper and all maturities, remained unchanged at 3½ percent.

Commercial Failures

A decided improvement in Tenth District business mortality was evidenced by the October reports of R. G. Dun and Company. There were fewer defaults recorded for that month than in any month since June, 1931, and in any October since 1928. More impressive was the decline in the amount of liabilities involved which, amounting to only \$839,541, was the smallest reported for any month since September, 1928, and for any October since 1920.

Defaults in the United States were, September excepted, less numerous than for any month since last November, but were, exclusive of October, 1931, the largest for any like month in recent years. The amount of liabilities involved was exceeded in each of the past twelve months and by the October, 1930, and 1931 totals.

Commercial failures in this District and the United States as reported by R. G. Dun and Company:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
October 1932.....	103	\$ 839,541	2,273	\$ 52,869,974
September 1932.....	122	1,484,370	2,182	56,127,634
October 1931.....	125	1,055,207	2,362	70,660,436
Ten months 1932.....	1,361	31,459,246	27,280	810,502,747
Ten months 1931.....	1,209	21,045,707	23,332	602,436,440

Savings

The amount of savings deposits reported by a selected list of banks in leading cities of the District, which increased slightly in each of the two preceding months, declined one-half of one percent in October, and on November 1 were 7.9 percent smaller than on the like date last year. There was practically no change during the month in the number of savings accounts although the month-end total was 2.3 percent below that reported one year earlier.

Savings deposits and savings accounts as reported by forty-nine banks in leading cities of the Tenth District:

	Savings Accounts	Savings Deposits
November 1, 1932.....	422,179	\$115,236,338
October 1, 1932.....	422,556	115,866,332
November 1, 1931.....	432,283	125,132,969

Bank Debits

Banks in twenty-nine leading cities of this District reported debits to individual accounts, for the four weeks' period ended November 2, aggregating \$693,941,000 as against \$715,251,000 in the preceding four weeks and \$915,114,000 in the corresponding four weeks last year. Cumulative figures for the year to November 2 show a decline of 28 percent as compared to the first forty-four weeks of 1931.

Payments by check in 263 cities in the United States in the four and forty-four weeks ended November 2 this year declined 26.2 percent and 33.1 percent as compared to the corresponding four and forty-four weeks last year.

PAYMENTS BY CHECK

	FOUR WEEKS ENDED		Percent Change
	Nov. 2, 1932	Nov. 4, 1931	
Albuquerque, N. M.....	\$ 6,470,000	\$ 8,340,000	-22.4
Atchison, Kans.....	2,398,000	3,371,000	-28.9
Bartlesville, Okla.....	20,970,000	12,481,000	68.0
Casper, Wyo.....	3,959,000	5,349,000	-26.0
Cheyenne, Wyo.....	5,097,000	6,433,000	-20.8
Colorado Springs, Colo.....	8,750,000	12,479,000	-29.9
Denver, Colo.....	91,117,000	119,881,000	-24.0
Enid, Okla.....	6,681,000	10,028,000	-33.4
Fremont, Nebr.....	1,694,000	2,665,000	-36.4
Grand Junction, Colo.....	1,730,000	2,298,000	-24.7
Guthrie, Okla.....	1,481,000	1,505,000	-1.6
Hutchinson, Kans.....	7,921,000	11,104,000	-28.7
Independence, Kans.....	3,190,000	4,333,000	-26.4
Joplin, Mo.....	5,751,000	6,627,000	-13.2
Kansas City, Kans.....	9,220,000	12,811,000	-28.0
Kansas City, Mo.....	204,403,000	271,399,000	-24.7
Lawrence, Kans.....	2,799,000	3,911,000	-18.4
Lincoln, Nebr.....	17,936,000	25,036,000	-28.4
Muskogee, Okla.....	6,755,000	7,152,000	-5.9
Oklahoma City, Okla.....	52,632,000	69,675,000	-24.5
Okmulgee, Okla.....	1,857,000	2,668,000	-30.4
Omaha, Nebr.....	97,192,000	143,575,000	-32.3
Pittsburg, Kans.....	2,721,000	3,778,000	-28.0
Pueblo, Colo.....	8,245,000	14,348,000	-42.5
Salina, Kans.....	4,834,000	7,878,000	-38.6
St. Joseph, Mo.....	17,676,000	28,437,000	-37.8
Topeka, Kans.....	9,346,000	12,484,000	-25.1
Tulsa, Okla.....	64,979,000	67,382,000	-3.6
Wichita, Kans.....	26,137,000	37,686,000	-30.6
Total 29 cities, 4 weeks.....	\$ 693,941,000	\$ 915,114,000	-24.2
Total 29 cities, 44 weeks.....	8,173,461,000	11,347,131,000	-28.0
U. S. 263 cities, 4 weeks.....	24,434,796,000	33,105,602,000	-26.2
U. S. 263 cities, 44 weeks.....	299,873,790,000	448,167,274,000	-33.1

Federal Reserve Bank Check Collections

This bank and branches at Omaha, Denver, and Oklahoma City handled 8.6 percent more checks for collections during October than in September, and the value represented showed an increase of 9.4 percent. Collections in October and the first ten months this year were, however, decidedly smaller both as to numbers and dollar amounts than recorded for October and the first ten months of 1931.

RETAIL TRADE AT 35 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		COLLECTIONS		
	Oct. 1932	10 Months 1932	Oct. 31, 1932	Oct. 31, 1931	October	10 Months	Oct. 31, 1932 compared to		Oct. 1932 compared to				
	Oct. 1931	10 Months 1931	Sept. 30, 1932	Oct. 31, 1931	1932	1931	Sept. 30, 1932	Oct. 31, 1931	Sept. 1932	Oct. 1931			
Kansas City.....	4	-18.5	-25.0	6.5	-18.9	.19	.19	1.63	1.93	2.5	- 8.8	32.9	-14.2
Denver.....	5	-23.9	-20.7	5.9	-25.4	.27	.26	2.27	2.39	2.1	-14.2	24.6	-19.7
Oklahoma City....	3	-12.6	-21.3	3.8	-30.6	.34	.26	2.42	2.38	13.5	- 6.8	43.2	-10.6
Topeka.....	3	-22.6	-21.2	7.6	-22.7	.25	.26	2.05	1.96	4.7	-22.0	25.6	-20.3
Tulsa.....	3	- 5.6	-12.8	12.0	-26.2	.40	.30	3.74	3.21	12.7	- 6.5	23.1	-15.3
Wichita.....	3	-17.8	-20.0	5.7	-18.5	.23	.23	.....	.....	0.8	-18.6	20.7	-21.3
Other cities.....	14	-21.0	-24.1	5.9	-22.1	.24	.23	2.14	2.24	2.3	-12.2	23.4	-22.6
Total.....	35	-19.2	-22.1	6.2	-23.1	.25	.23	2.10	2.24	2.8	-12.2	27.5	-18.3

NOTE: Percentage of collections in October on accounts September 30, all stores reporting 35.0. Collections same month last year 37.5.

Check collection through the Federal Reserve Bank of Kansas City and branches:

ITEMS	AMOUNT			
	1932	1931	1932	1931
October.....	4,097,060	5,370,096	\$ 549,265,000	\$ 712,979,000
September.....	3,774,073	5,153,122	502,029,000	677,683,000
Ten months.....	43,259,048	54,140,474	5,308,721,000	7,179,152,000

Trade

RETAIL: A consolidation of the reports of thirty-five department stores in Tenth District cities shows October sales in dollar amounts were 1.7 percent smaller than in September. Ordinarily October sales exceed September sales by approximately 7.5 percent, but this year September weather conditions were more conducive than usual to the early purchase of fall goods, resulting in a part of the September volume being acquired at the expense of the following month. October sales were 19.2 percent smaller than a year ago as compared to decreases of 11.2 percent reported for September, 24 percent for August, and 29.7 percent for July. Decreases as compared to a year ago have been reported every month this year, with the cumulative total for ten months averaging 22.1 percent less than for the first ten months of 1931.

The enlargement of inventories during October was in about normal proportions, but stocks of merchandise on hand October 31 were 23.1 percent lighter than one year ago.

Collections improved somewhat during the month, amounting to 35 percent of amounts outstanding on September 30 as compared to 30.4 percent reported for September this year and 37.5 percent for October, 1931.

WHOLESALE: Dollar sales of each of the five reporting wholesale lines, except hardware which increased by somewhat less than the usual seasonal amount, declined in October. Under normal conditions, wholesalers of dry goods are the only ones to show a smaller volume of business for October than for September. Compared to October, 1931, the only increase noted was that of 0.5 percent in the sale of dry goods, whereas, sales of groceries declined 23.7; hardware, 18.4; furniture, 27.7; and drugs, 14.7 percent.

Inventory changes during the month were slight, but, as compared to October 31, 1931, the various lines reported the following decreases: dry goods, 4.0; groceries, 26.1; hardware,

8.4; furniture, 32.3; and drugs, 16.0 percent. Collections remain slow although wholesalers of dry goods, hardware, and furniture reported some improvement as compared to the preceding month.

Building

Taking the Tenth District as a whole, there was some improvement in building operations in October, the F. W. Dodge Corporation reporting an increase over September of 13.2 percent in the value of total building contracts awarded and an increase of 21.5 percent in residential construction. The larger centers of population, however, did not share in this increase as judged from the reports received from the building departments of eighteen cities. These reports showed reductions for the month of 7.8 percent in the number of permits issued and of 34.6 percent in the estimated construction costs.

BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1932	1931	1932	1931
Albuquerque, N. M.....	58	49	\$ 25,607	\$ 41,853
Cheyenne, Wyo.....	17	28	15,655	34,900
Colorado Springs, Colo.....	44	37	13,810	85,753
Denver, Colo.....	322	490	294,557	730,820
Hutchinson, Kans.....	23	28	12,610	22,125
Joplin, Mo.....	12	30	5,500	21,630
Kansas City, Kans.....	28	76	15,050	28,405
Kansas City, Mo.....	100	184	108,400	297,200
Lincoln, Nebr.....	47	51	41,981	60,445
Oklahoma City, Okla.....	79	104	71,438	383,475
Omaha, Nebr.....	71	90	63,608	158,052
Pueblo, Colo.....	22	60	4,875	93,080
Salina, Kans.....	7	13	8,825	6,755
Shawnee, Okla.....	3	8	1,250	4,825
St. Joseph, Mo.....	19	48	6,195	24,040
Topeka, Kans.....	37	46	10,605	975,655
Tulsa, Okla.....	56	149	17,169	189,094
Wichita, Kans.....	58	106	37,812	137,745
Total 18 cities, October.....	1,003	1,597	\$ 754,947	\$ 3,295,852
Ten months.....	10,698	15,541	11,500,439	42,677,338

Total 18 cities, October..... 1,003 1,597 \$ 754,947 \$ 3,295,852
Ten months..... 10,698 15,541 11,500,439 42,677,338

The Dodge report also showed an increase over October last year of 115.3 percent in total awards, but a decrease of 44.7 percent in residential awards, whereas, the reporting cities issued 37.2 percent fewer permits with a cash outlay equal to about one-fourth that reported for October, 1931. Total awards were, however, equal to but 70 percent and residential awards but 19 percent of the five-year (1926-31) October average.

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Reporting Stores	SALES		OUTSTANDINGS		COLLECTIONS		STOCKS		
	Oct. 1932	Oct. 1931	Oct. 31, 1932	Oct. 31, 1931	Oct. 1932	Oct. 1931	Oct. 31, 1932	Oct. 31, 1931	
	Sept. 1932	Sept. 1931	Sept. 30, 1932	Sept. 30, 1931	Sept. 1932	Sept. 1931	Sept. 30, 1932	Sept. 30, 1931	
Dry goods.....	6	- 5.9	0.5	3.1	-10.6	26.2	- 5.1	5.3	- 4.0
Groceries.....	5	-11.9	-23.7	- 2.7	-12.5	- 4.3	-15.3	- 1.1	-26.1
Hardware.....	9	7.3	-18.4	- 0.3	- 8.6	18.8	-19.2	- 0.3	- 8.4
Furniture.....	5	-14.4	-27.7	- 4.0	-23.6	- 5.1	-30.6	0.4	-32.3
Drugs.....	6	- 4.2	-14.7	0.6	-11.0	- 2.8	-14.0	2.3	-16.0

The F. W. Dodge report of total building and residential contracts awarded in this District and the United States is shown in the following table:

TOTAL BUILDING CONTRACTS AWARDED				
	TENTH DISTRICT		UNITED STATES	
	1932	1931	1932	1931
October.....	\$10,380,313	\$ 4,822,421	\$ 107,473,900	\$ 242,094,200
September.....	9,166,428	9,203,851	127,526,700	252,109,700
Ten months.....	62,650,036	124,851,894	1,164,837,100	2,821,534,100

RESIDENTIAL CONTRACTS AWARDED				
	TENTH DISTRICT		UNITED STATES	
	1932	1931	1932	1931
October.....	\$ 796,393	\$ 1,440,018	\$ 21,855,600	\$ 60,540,100
September.....	655,462	1,465,504	22,803,900	54,552,800
Ten months.....	7,672,978	20,456,582	247,865,100	729,934,800

Lumber

Sales of lumber at retail, as indicated by the reports of 161 retail yards in this District, showed but slight change in October as compared to September, but were 30.7 percent short of the October, 1931, totals. Dollar sales of all materials showed a 3.3 percent improvement for the month but declined approximately one-third as compared to the like month last year. Yards reported stocks as of October 31 as 2.1 percent smaller than one month earlier and 18.5 percent smaller than one year earlier.

Collections improved slightly during the month, amounting to 23.1 percent of amounts outstanding on September 30 as against 21.4 percent reported for September, and 28.6 percent reported for October, 1931.

October retail lumber business is herewith compared to that for September this year and October last year in percentages of increase or decrease:

	October 1932 September 1932	Compared to October 1932
Sales of lumber, board feet.....	— 0.7	—30.7
Sales of all materials, dollars.....	3.3	—33.9
Stocks of lumber, board feet.....	— 2.1	—18.5
Outstandings, end of month.....	— 1.1	—23.8

Production of lumber throughout the United States for the week ended October 5 was reported by the National Lumber Manufacturers Association at 23 percent of normal, the same as one month earlier. Shipments were 25 percent and orders received were 6 percent in excess of production.

Flour Milling

Production of flour at southwestern mills during October, as estimated from their weekly reports to the Northwestern Miller, totaled 2,156,458 barrels, or 82,757 barrels more than in the preceding month, but 208,818 barrels less than in the corresponding month last year. October grindings, with mills operating at 68.9 percent of full-time capacity, were the heaviest for any month since last November, but the lightest for any October since 1925. Cumulative output from July 1 to October 31 totaled 8,103,657 barrels as against 8,884,842 barrels milled in the first four months of the 1931-32 wheat year.

Output of approximately ninety percent of the mills in the principal flour producing centers of the United States, in the first four months of the new wheat year beginning July 1, totaled 22,910,979 barrels as compared with 27,011,672 barrels during the same four months last year.

As weakness in the grain markets persisted throughout the month, flour and millfeed prices declined to the lowest levels ever recorded in the present century. Early recessions stimulated buying, but, as values remained low, the trade was apparently content to continue the hand-to-mouth policy, buying

only for immediate or near by needs. Several round lots were booked during the month but the majority of sales were small. Shipping directions ranged from fair to poor. Low grain prices and meager funds have forced consumers to depend more on home grown feeds which has resulted in an extremely light demand for millfeeds even at the low prevailing prices.

Flour production in this District and the United States as indicated by the weekly reports of mills to the Northwestern Miller:

	Oct. 1932 Barrels	Sept. 1932 Barrels	Oct. 1931 Barrels
Atchison.....	137,815	136,577	135,114
Kansas City.....	612,528	603,823	693,654
Omaha.....	113,634	117,148	100,445
Salina.....	178,000	186,053	187,110
St. Joseph.....	61,442	42,058	146,125
Wichita.....	234,153	205,601	229,381
Outside.....	818,886	782,441	873,447
Total southwest mills.....	2,156,458	2,073,701	2,365,276
United States.....	6,165,944	5,902,958	6,854,721

Grain Marketing

Offerings of cereals at the five principal Tenth District grain markets were, kafir excepted, relatively light in October. With supplies of wheat waning, marketings were a fourth lighter than in September, 54.1 percent lighter than in October, 1931, and equal to but 60 percent of the ten-year average volume. In the four months since harvest, less than one-half as much wheat has been received at these markets as in the like period in 1931.

New corn started to move to market in October, but producers were reluctant sellers at prevailing prices and, although receipts were slightly larger than one month or one year earlier, they were 33 percent below normal. Supplies of oats and rye were heavier and of barley and kafir lighter than a year ago. Kafir receipts were larger than usual, but receipts of the other three grains did not equal one-third the normal volume.

Arrivals of six classes of grain at the five markets:

	Wheat Bushels	Corn Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Kafir Bushels
Hutchinson.....	1,710,450	.....	.....	.....	3,750	52,000
Kansas City.....	4,246,400	793,500	110,000	16,500	30,400	148,400
Omaha.....	1,003,200	735,000	232,000	47,600	6,400	.....
St. Joseph.....	384,000	481,500	338,000	.....	1,750	.....
Wichita.....	1,164,000	2,600	.....	.....	5,200	.....
Oct. 1932.....	8,508,050	2,012,600	680,000	64,100	47,500	200,400
Sept. 1932.....	11,351,650	1,925,900	679,500	86,700	91,650	88,100
Oct. 1931.....	18,545,850	1,919,200	578,000	20,500	326,900	213,700
10 Mos. 1932..	153,308,350	14,773,550	6,471,500	283,500	725,400	2,209,100
10 Mos. 1931..	256,129,150	44,029,500	8,087,100	235,100	1,507,950	1,850,200

Prices of all grains declined steadily throughout October, closing at new low levels. Wheat was off 6½ cents, corn 3 cents, oats 2 cents, rye 6 cents, barley 1 cent, and kafir 11 cents per bushel for the month. Number 1 hard and dark wheat at Kansas City closed at 40½, number 2 mixed corn at 23, and number 2 white oats at 16 cents per bushel as against 54, 42, and 27 cents, respectively, one year ago.

The first week in November, December wheat futures broke through the record low prices of October, 1931, establishing a new all time record low for futures, and on November 3 wheat was, for the first time in history, worth less on the Chicago market than the 42 cents per bushel tariff duty. Corn declined to the lowest levels since 1896.

Crops

Harvest of all Tenth District crops was completed or rapidly nearing completion by November 15. Additional fall seeding of winter wheat depends on the receipt of moisture in the near future. Colorado, Wyoming, and the western sections of Kansas, Nebraska, and Wyoming, due to the extreme shortage of rainfall, experienced a very unfavorable crop year, but the balance of the District reported crop yields as generally satisfactory. All sections are entering another winter with a deficiency of sub-soil moisture.

CORN: This District, on the basis of November 1 estimates of the United States Department of Agriculture, will produce 532,624,000 bushels of corn this year as against 393,884,000 bushels last year, and an average of 463,428,000 bushels in the five years, 1924 to 1928, inclusive. Prospects were virtually unchanged between October 1 and November 1. Dry and open weather has been unusually favorable for husking, which ranges from 90 percent completed in the south to 25 to 75 percent in the north. Production ranges from a total failure in some areas in the western part of the District, where abandonment has been unusually heavy, to record yields in the northeastern section. Quality is described as excellent except in the drouth areas.

COTTON: Picking and ginning of cotton are nearly completed. Tenth District production is now estimated at 1,080,000 bales and United States production at 11,947,000 bales as compared to 1,336,000 and 17,097,000 bales picked in 1931.

POTATOES: Drouth, blight, October freezes, and heavy abandonment, partly due to low prices, have cut severely into the Tenth District 1932 white potato crop. Production is now estimated at 32,087,000 bushels, 1,374,000 bushels less than promised October 1, but 4,307,000 bushels more than produced last year. Shipments from Wyoming and Nebraska will be extremely light this year although a record acreage was planted.

SUGAR BEETS: Weather conditions have been favorable for the digging of sugar beets and harvest was nearly completed by November 15. Returns, while good, are slightly below earlier estimates and the total yield will be 21.7 percent short of a year ago for this District.

BROOM CORN: Five states in the District will produce 27,300 tons of broom corn this year as compared to 34,700 tons last year, and an average harvest of 41,080 tons in the five years, 1924 to 1928. The acreage was reduced somewhat and the hot, dry weather cut yields.

DRY BEANS: The condition of dry beans in the irrigated sections of Wyoming, Colorado, and Nebraska has held up fairly well although yields are not up to earlier expectations. In the dry land areas of Colorado and western Nebraska, yields are the lowest in years with a considerable acreage being cut for hay. Threshing progressed rapidly in October.

WINTER WHEAT: The condition of fall sown wheat in western and southwestern sections of the wheat belt is very unsatisfactory, due to lack of rainfall and a shortage of sub-soil moisture. Summer fallowed fields are making satisfactory growth. Less grain has been seeded in this area than advanced estimates and intentions indicated, and, although planting continues in a limited way, the extent of operations depends on the amount of moisture received in the immediate future. In the eastern half of the District there has been sufficient moisture for germination and growth, and the crop will go into the winter in good shape but a general rain is needed.

OTHER CROPS: Grain sorghums were practically all in the shock or otherwise harvested by November 1. Yields ranged from fair to good in the eastern half of the District but were poor in the western portions. Pastures are generally short. Farmers are confining their feeding operations to home grown grains and most localities have sufficient roughage for livestock.

Livestock

MARKETINGS: The six principal livestock markets of this District received, as usual, more cattle, calves, sheep, and horses and mules during October than in September, but a decline of 12 percent in arrivals of hogs at these markets was not characteristic of other years.

October marketings of cattle were 4.7 percent lighter than a year ago, the smallest for any post war October and equal to but 70 percent of normal offerings. Receipts at Kansas City were reported the lightest for that month in forty-two years. More calves were marketed than a year ago but otherwise supplies were the lightest since 1920. Hogs arrived in about normal volume and the quality of offerings was uniformly good with heavyweights and sows scarce. Sheep and lambs were less numerous than in any October since 1921 and showed a loss of 23.5 percent as compared to October last year. The peak movement of range lambs has been passed and the movement of fed lambs will not reach significant volume before December.

Offerings of horses and mules were more than 50 percent larger than one month or one year earlier. Recent estimates of the United States Department of Agriculture placed the population of horses and mules in this country at the lowest figure in forty years, reported that an actual shortage exists, and that prices are higher now than the thirty-two year low of last January.

FEEDING OPERATIONS: Declines during October carried stocker and feeder cattle prices to the lowest levels in more than twenty years. Buying was cautious despite limited supplies, although, with feed costs low, reports indicate the existence of a broad potential demand. Shipments of cattle to the country from four Tenth District markets were 18 percent

THE ESTIMATED PRODUCTION OF SEVEN TENTH DISTRICT CROPS, BASED ON THE NOVEMBER 1 CONDITION

Reported by the United States Department of Agriculture.

In thousands (000 omitted) — Broom corn excepted.

	Corn Bushels		Grain Sorghums Bushels		Dry Beans Bags		White Potatoes Bushels		Sweet Potatoes Bushels		Broom Corn Tons		Sugar Beets Tons	
	1932	1931	1932	1931	1932	1931	1932	1931	1932	1931	1932	1931	1932	1931
Colorado.....	13,962	19,278	1,320	2,101	389	826	11,600	9,595	-----	-----	4,200	5,600	1,803	2,532
Kansas.....	134,791	113,838	17,992	17,712	29	30	4,830	3,634	720	570	2,700	3,500	-----	-----
Missouri.....	189,240	170,060	1,683	1,444	-----	-----	5,310	3,675	990	900	200	200	-----	-----
Nebraska.....	276,548	170,714	352	218	101	63	9,520	7,205	-----	-----	-----	-----	838	891
New Mexico.....	3,732	5,660	3,686	7,832	398	725	510	385	-----	-----	4,800	7,400	-----	-----
Oklahoma.....	66,420	51,808	14,544	12,987	-----	-----	-----	-----	1,725	1,330	15,400	18,000	-----	-----
Wyoming.....	2,394	1,953	-----	-----	185	367	1,900	3,360	-----	-----	-----	-----	472	552
Seven states.....	687,087	533,311	39,577	42,294	1,102	2,011	33,670	27,854	3,435	2,800	27,300	34,700	3,113	3,975
United States.....	2,920,689	2,563,271	105,992	104,529	10,301	12,713	359,403	375,518	75,834	62,904	34,500	44,600	8,788	7,903

under a year ago and 43 percent short of the average numbers shipped during October the past ten years. A better demand for calves is evidenced by increases of 15.1 percent over October, 1931, and of 47 percent over the ten-year average movement.

The countryward movement of hogs and sheep was extremely light, sales of the former equalling 10 percent and of the latter 52 percent of normal, with shipments of each exceeded in every October in over a decade.

The Bureau of Agricultural Economics reported October shipments of stocker and feeder cattle into the corn belt states as 10 percent smaller than a year ago, 20 percent below the five-year October average, and the smallest for the month in twelve years. In the three preceding months shipments were larger than last year, but the October reduction carried the total for the four months, July to October, inclusive, to the second smallest in twelve years, with shipments into states west of the Mississippi smaller than in any other year since 1919. More cattle are moving direct to feed lots this year than last and, with local supplies relatively heavy, the Bureau reported that feeding operations will probably be as large this year as last in all western states except Colorado, where feed supplies are short.

Shipments of feeder lambs from market centers into corn belt feed lots in October were estimated as 34 percent less and, since July 1, as 45 percent less than in the corresponding month and four months last year, establishing a new low record since the figures became available in 1919. Colorado and western Kansas will feed fewer lambs than a year ago but about the same numbers will be fed in the Scottsbluff sections of Nebraska and Wyoming.

RANGES: Livestock on western ranges are in generally good condition with range feed good and abundant except in western Kansas and Oklahoma, eastern Colorado, northeastern New Mexico, and southeastern Wyoming, from which areas some forced shipments of cattle and sheep will be made. Snows have partly relieved the water shortage in some areas and improved ranges. As much breeding stock, both cattle and sheep, is being held off the market as possible.

PRICES: Sheep price fluctuations were numerous during October but net changes were narrow, yearlings and feeders closing steady to 25 cents per hundredweight higher, and range lambs unchanged to 25 cents lower at Kansas City. Cattle prices showed an almost uninterrupted decline with beef steers mostly 50 cents to \$1 per hundredweight lower, and other classes 25 to 75 cents lower. Mid-September prices for better grades of slaughter cattle were the highest since January and approximated those of a year earlier, but declines to November 1 carried values to a practical top of \$7 per hundredweight with bulk of sales ranging from \$5 to \$7 per hundredweight, the lowest for the season in over twenty years. Hogs declined 60 to 70 cents per hundredweight, closing at a top of

\$3.15 or 20 cents above the thirty-five year low of May 25, and \$1.85 under the year's high.

Poultry and Dairy Products

Egg prices advanced 1 cent per dozen in October and 7 to 8 cents per dozen the first three weeks of November, and with the present farm price ranging from 26 to 28 cents per dozen, equivalent to the farm price of one bushel of wheat or two bushels of corn, they are at present in a favorable statistical position as compared with other farm commodities. Storage holdings are unusually low and fall production is not up to that of recent years.

Poultry prices have shown no change the past seven weeks although November 1 cold storage holdings were 30 percent smaller than one year earlier and market receipts have been running under a year ago or the five-year average. Marketings of turkeys for Thanksgiving this year were reported as slightly irregular with the supply increased somewhat but meeting a good demand occasioned by light storage stocks and limited imports from Argentina. The United States and this District have one of the largest turkey crops ever raised, numbers in the United States totaling 18 million birds, or 13 percent more than a year ago. Increases for the year in states of this District are: Colorado, 10; Kansas, 13; Missouri, 7; Nebraska, 18; Oklahoma, 15; and Wyoming, 5 percent. Prices, which advanced about 4 cents a pound early in October, have shown little change since, with Kansas City wholesalers bidding 14 cents per pound November 21.

Production of creamery butter is estimated at 3 percent less than a year ago and prices, which are extremely low, have failed to make any appreciable advance in recent weeks as consumer demand continues dull. Futures have recently shown a tendency to strengthen somewhat.

Meat Packing

More cattle and calves and fewer sheep were purchased for slaughter at the six leading livestock market centers of the Tenth District in October than in the preceding month this year or the corresponding month last year. Packers' purchases of hogs, including those shipped direct to packers' yards, declined 12.5 percent for the month but were 17.7 percent larger than a year ago.

October butcherings of cattle and calves were unusually light, the totals being equal to but 72 percent of the ten-year average October numbers. Slaughterings of sheep and swine displayed but slight variation from normal, although sheep numbers were the smallest since 1927 and hog numbers the largest since 1928.

Demand for meat at eastern consuming centers during October was characterized as dull with supplies heavy and prices lower than for several months.

OCTOBER MOVEMENT OF LIVESTOCK IN THE TENTH DISTRICT

	RECEIPTS				STOCKERS AND FEEDERS				PURCHASED FOR SLAUGHTER			
	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep
Kansas City.....	184,559	56,287	*259,092	164,220	86,539	27,567	910	34,562	60,494	13,683	*218,540	107,536
Omaha.....	163,095	32,678	152,670	209,983	66,038	13,699	407	86,134	79,796	18,979	126,803	122,616
St. Joseph.....	35,579	7,959	95,095	93,121	9,153	2,190	432	10,078	21,195	4,682	81,136	79,863
Denver.....	66,966	10,144	36,354	570,102	29,289	4,305	645	264,326	10,513	1,904	29,124	21,478
Oklahoma City.....	21,768	6,945	29,953	5,398	-----	-----	-----	-----	11,028	6,139	25,484	4,679
Wichita.....	20,960	5,416	52,604	11,005	-----	-----	-----	-----	7,942	1,660	49,488	4,491
October 1932.....	492,927	119,429	625,768	1,053,829	191,019	47,761	2,394	395,100	190,968	47,047	530,575	340,663
September 1932.....	457,413	75,260	711,407	1,033,570	177,793	25,250	3,426	264,898	187,111	39,180	606,541	367,940
October 1931.....	517,396	111,077	603,679	1,377,797	233,049	41,495	14,557	670,077	187,723	42,192	450,770	422,565

*Includes 142,624 hogs shipped direct to packers' yards.

Cold Storage Holdings

Cold storage holdings of beef, pork, lamb and mutton, and creamery butter in the United States on November 1, were slightly larger than on the like date last year, but holdings of all other commodities were somewhat smaller. Compared to the five-year average holdings as of that date, pork was the only item to show an increase, inventories of beef declining, 34.9; lamb and mutton, 22.6; poultry, 14.5; turkeys, 71.1; miscellaneous meats, 35.3; lard, 48.2; eggs, 34.4; creamery butter, 36.9; and cheese, 16.5 percent.

The seasonal into-storage movement of beef, mutton, and poultry during October was slightly in excess of the five-year average and substantially larger than a year ago. Reductions in stocks of lard and cheese were somewhat heavier than last year but fell short of the average. Net seasonal withdrawals of pork, miscellaneous meats, eggs, and butter were lighter than a year ago or normally.

United States cold storage holdings as reported by the United States Department of Agriculture:

	*Nov. 1 1932	Oct. 1 1932	Nov. 1 1931	Nov. 1 5 Yr. Av.
Beef, lbs.....	35,478	25,909	34,407	54,456
Pork, lbs.....	432,163	498,252	380,895	425,876
Lamb and mutton, lbs.....	2,874	1,983	1,975	3,714
Poultry, lbs.....	55,082	36,683	65,668	64,443
*Turkeys, lbs.....	1,024	2,591	2,303	3,542
Miscellaneous meats, lbs.....	37,080	40,086	48,744	57,308
Lard, lbs.....	34,358	70,656	39,766	66,283
Eggs, cases.....	3,207	4,895	5,745	5,838
Eggs, frozen (case equivalent).....	2,115	2,405	2,709	2,279
Butter, creamery, lbs.....	66,755	89,490	56,229	105,754
Cheese, all varieties, lbs.....	78,288	81,406	87,386	93,732

*Subject to revision. **Included in Poultry. (000 omitted.)

Petroleum

Daily average production of crude oil by wells in the Tenth District declined 1.4 percent in October. Gross production was 1.9 percent larger than in September, but was 11 percent less than a year ago and the smallest for any October since 1921.

Gross production in the United States was slightly larger for the month but was less than any October since 1925. Daily average domestic production in September was reported by the United States Bureau of Mines as 100,000 barrels short of the daily average domestic demand, with stocks of all oils having been reduced 18,435,000 barrels in the first nine months this year.

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

	*Oct. 1932 Barrels	Sept. 1932 Barrels	Oct. 1931 Barrels
Oklahoma.....	12,015,000	11,849,000	13,617,000
Kansas.....	3,065,000	2,919,000	3,122,000
Wyoming.....	1,030,000	1,063,000	1,098,000
Colorado.....	85,000	92,000	143,000
New Mexico.....	988,000	940,000	1,335,000
Total, five states.....	17,183,000	16,863,000	19,315,000
Total, United States.....	66,295,000	65,036,000	73,079,000

Effective October 15, numerous purchasing companies advanced quotations on mid-continent crude 12 cents per barrel, but several companies adhered to the old schedules which ranged from 76 cents per barrel for low gravity grades to \$1 per barrel for oil testing 40 degrees and over.

Although there were more drilling operations completed during October and more rigs up and wells drilling at the close than a year earlier, field activity lacks considerable of being normal.

Zinc and Lead

Demand for zinc ore at mines in Missouri, Kansas, and Oklahoma, the Tri-state district, was reported good in October, and shipments during the five weeks' period ended November 5 exceeded those for the preceding five weeks ended October 1 by 90.6 percent, and, for the first time since May, 1930, exceeded totals reported for the corresponding period of the preceding year. Lead ore demand was somewhat restricted and shipments declined 18.8 percent as compared to the preceding five weeks, but were 31.3 percent heavier than a year ago. Shipments of both zinc and lead exceeded production.

Zinc ore prices suffered two declines of \$1 per ton closing at \$17 as against \$18 a year ago. Lead ore prices were steady at \$32.50 per ton closing \$5 per ton under last October. Zinc ore advanced \$1 and lead ore \$2.50 per ton the second week of November.

Shipments of zinc ore and lead ore from the Tri-state district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	21,962	\$ 396,060	1,421	\$ 45,857
Kansas.....	5,436	97,689	312	9,939
Missouri.....	182	3,220	166	5,258
5 Wks. ended Nov. 5, 1932.....	27,580	\$ 496,969	1,899	\$ 61,054
5 Wks. ended Oct. 1, 1932.....	14,467	284,671	2,338	85,196
5 Wks. ended Nov. 7, 1931.....	18,470	351,792	1,446	58,720

Bituminous Coal

Production of bituminous coal at mines in the six coal producing states of this District during October, although 31 percent larger than in September and the largest for any month since last December, was the smallest for any post war October and equal to but 70 percent of the ten-year average output for that month.

The Bureau of Mines reported output of soft coal in the United States increased 24 percent during October, carrying total production for the first ten months this year to 243,881,000 tons as compared to 317,740,000 tons mined in the first ten months of 1932. Consumers' stocks as of October 1 were reported at 27,500,000 tons or 20.3 percent less than a year ago and the lowest for the season since 1922.

Estimated production of soft coal in the United States and the six coal producing states of the Tenth District:

	*Oct. 1932 Tons	*Sept. 1932 Tons	Oct. 1931 Tons
Colorado.....	574,000	526,000	701,000
Kansas.....	260,000	174,000	218,000
Missouri.....	358,000	260,000	310,000
New Mexico.....	125,000	95,000	130,000
Oklahoma.....	276,000	148,000	231,000
Wyoming.....	497,000	392,000	531,000
Total, six states.....	2,090,000	1,595,000	2,121,000
Total, United States.....	32,633,000	26,314,000	35,700,000

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

Cement

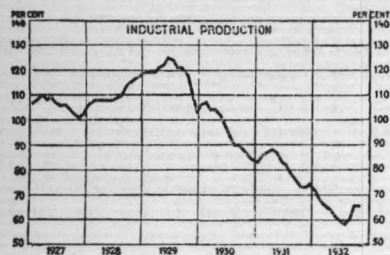
For the fourth consecutive month production of Portland cement at mills in this District exceeded shipments, and stocks on hand at the close of October were the largest since February. October output fell over 10 percent short of that of September this year or October last year, and shipments were also smaller than in either of those months.

Production, shipments, and month-end stocks of Portland cement at mills in this District and the United States in thousands of barrels as reported by the Bureau of Mines:

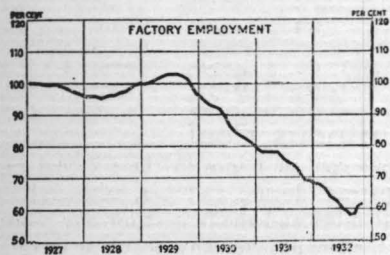
	TENTH DISTRICT			UNITED STATES		
	Production	Shipments	Stocks	Production	Shipments	Stocks
October 1932.....	819	775	2,082	7,939	8,743	17,074
September 1932.....	914	886	2,037	8,210	9,729	17,878
October 1931.....	912	1,066	1,693	10,762	12,360	21,218

Business Conditions in the United States

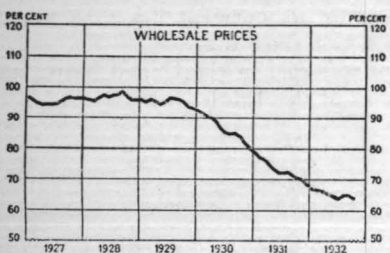
By the Federal Reserve Board



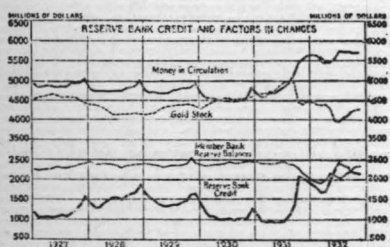
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure, October, 66.



Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average=100.) Latest figure, October, 61.1.



Index of United States Bureau of Labor Statistics (1926=100). Latest figure, October, 64.4.



Monthly averages of daily figures. Latest figures are averages of first 20 days in November.

Volume of industrial output, after increasing considerably during August and September, remained unchanged in October. Factory employment and payrolls reported for the middle of the month showed a further increase. During October, as in the last three weeks of September, wholesale commodity prices declined, and in the first three weeks of November the general average was at the level of early summer.

PRODUCTION AND EMPLOYMENT: Industrial production, as measured by the Board's seasonally adjusted index, continued in October at 66 percent of the 1923-1925 average, as compared with a low level of 58 percent in July. In the textile industries, which had shown a rapid expansion in August and September, there was a slight decrease in consumption of raw materials while output of finished products increased somewhat.

Shoe production, which also had increased substantially in recent months, showed a seasonal decline. Operations at steel mills expanded from an average of 17 percent of capacity in September to 19 percent in October, contrary to seasonal tendency, and according to trade reports, continued at about this rate through the first three weeks of November. Production of automobiles in October declined further to a new low level. At coal mines activity continued to increase rapidly until the middle of October, but since that time a reduction, largely seasonal in character, has been reported.

Employment in most manufacturing industries increased between the middle of September and the middle of October, and the Board's seasonally adjusted index of factory employment showed an advance from 60 percent of the 1923-1925 average to 61 percent. At textile mills working forces increased by considerably more than the usual seasonal amount, and substantial increases were also reported at steel mills, lumber mills, and car building shops. In the canning and automobile industries there were decreases in employment. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, continued at low levels during October and the first half of November. The Department of Agriculture estimate of the cotton crop, based on November 1 conditions, was 11,950,000 bales, about 525,000 bales larger than the estimate a month earlier.

DISTRIBUTION: From September to October volume of freight traffic increased by more than the usual seasonal amount. After the middle of October carloadings declined, reflecting chiefly seasonal developments. Dollar value of department store sales increased by the usual amount in October.

WHOLESALE PRICES: Wholesale commodity prices, as measured by the monthly index of the Bureau of Labor Statistics, declined from 65 percent of the 1926 average in September to 64 percent in October. Weekly figures show declines in the general average from early September through the first week in November, reflecting reductions in the prices of many domestic agricultural products and their manufactures as well as in the prices of steel rails, copper, coffee, rubber, and silk. In the second week of November prices of many leading commodities including grains, hogs, cotton, silk, zinc, lead, and tin advanced considerably, but later the prices of these commodities declined.

BANK CREDIT: Volume of reserve bank credit showed little change for the four week period ending November 16. Member bank balances at the reserve banks increased further by \$75,000,000, and in the middle of November were about \$475,000,000 in excess of legal reserve requirements. This growth in reserve balances reflected an increase of \$60,000,000 in the stock of gold and the issue of additional national bank notes. Demand for currency showed little change during the four-week period.

Loans and investments of reporting member banks in leading cities, outside of New York City and Chicago, declined further between the middle of October and the middle of November, reflecting a further reduction of loans at these banks. In New York City the investments of member banks increased by an amount larger than the decrease in loans so that total loans and investments of these banks showed a further increase.

Money rates in the open market continued at low levels during October and the first half of November. Rates on 90-day bankers' acceptances were unchanged at $\frac{1}{2}$ of 1 percent, and rates on prime commercial paper declined from a range of $1\frac{3}{4}$ to 2 to a range of $1\frac{1}{2}$ to $1\frac{3}{4}$ percent.