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

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CONDITIONS and prospects in the Tenth Federal Reserve District have been greatly helped during the past six weeks by higher prices for many Tenth District commodities, particularly agricultural, and by general rains which have relieved the drought conditions that prevailed throughout this area. Grain prices advanced rapidly during April and the first two weeks of May, with most classes now selling well above prices prevailing a year ago and at about double the recent lows. Livestock values lagged somewhat in April but increases the forepart of May were substantial.

Hides, wool, lard, and butterfat have advanced rapidly in recent weeks and are now selling well above last year's quotations. Poultry and egg prices have failed to show any marked improvement. Flour and millfeed quotations responded to the changes in grain prices. In the mineral lines zinc ore advanced \$5 and lead ore \$7.50 per ton during April, and crude oil prices, which were unchanged for the month, dropped abruptly the first week of May to a flat price of 25 cents per barrel, regardless of grade.

Crop growth and spring work have been retarded recently by frequent rains and cool weather, and sunshine and higher temperatures are needed at present for best results.

Trade at both wholesale and retail establishments expanded in April but dollar sales were somewhat smaller than a year ago. Thirty-two department stores in the District reported their April sales as 18 per cent larger than in March and but 8.8 per cent smaller than a year ago. These favorable comparisons were due in part to the lateness of Easter this year.

April production of flour and cement, and shipments of zinc ore and lead ore exceeded the totals for the preceding month this year or the corresponding month last year, whereas, the output of bituminous coal and crude oil showed declines. Building operations, with the exception of a slight improvement for the month in residential construction, are at a standstill.

Marketings of all classes of grain, except wheat, and all species of livestock were somewhat heavier in April than in the preceding month but considerably below the normal April movement for all items but sheep and lambs.

Business failures in the District, both as to number and amount of liabilities involved, were substantially smaller in April than in the corresponding month last year. Fifty-three selected member banks reported a slight increase in loans and a 3.6 per cent increase in net demand deposits for the four weeks ended May 10.

BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT

Percentages of Increase, or Decrease (—), for April 1933 over March 1933 and April 1932 and for the first four months of 1933 over the like period in 1932.

	April 1933 Compared to		4 Mos. 1933 Compared to
	Mar. 1933	Apr. 1932	
Banking			
Payments by check.....	1.3	—15.5	—19.1
Federal Reserve Bank clearings.....	12.9	—9.9	—14.5
Business failures, number.....	53.2	—13.6	—28.5
Business failures, liabilities.....	8.9	—64.5	—57.6
Loans, 53 member banks.....	1.0	—19.8	.....
Investments, 53 member banks.....	—1.5	5.6	.....
Net demand deposits, 53 member banks	3.6	—3.0	.....
Time deposits, 53 member banks.....	—0.6	—9.7	.....
Savings deposits, 44 selected banks.....	—0.7	—11.1	.....
Savings accounts, 44 selected banks....	—0.1	—5.6	.....
Distribution			
Wholesalers' sales, 5 lines combined....	3.8	—14.5	—14.8
Retailers' sales, 32 department stores..	18.0	—8.8	—18.7
Lumber sales, 157 retail yards.....	21.8	—6.3	—2.3
Life insurance, written.....	—4.1	—15.7	—19.0
Construction			
Building contracts awarded, value.....	—36.0	—64.9	—44.8
Residential contracts awarded, value..	23.0	—35.0	—31.2
Building permits in 17 cities, value	39.1	—59.7	—46.2
Production			
Flour.....	10.8	14.6	4.0
Crude petroleum.....	—19.9	—8.3	—0.4
Soft coal.....	—21.6	—4.9	—15.5
Zinc ore (shipped) Tristate District....	23.5	0.6	55.4
Lead ore (shipped) Tristate District....	13.4	101.9	—22.9
Cement.....	65.0	184.1	—3.4
Grain receipts, 5 markets			
Wheat.....	—18.7	—43.6	—57.6
Corn.....	145.0	152.0	56.8
Oats.....	64.5	170.2	18.5
Livestock receipts, 6 markets			
Cattle.....	10.6	—6.4	—8.8
Calves.....	18.4	18.0	13.7
Hogs.....	15.9	2.9	—15.1
Sheep.....	9.9	—12.2	—17.6
Horses and mules.....	12.2	20.7	—2.2
Meat packing, 6 markets			
Cattle.....	—2.3	—7.2	—8.3
Calves.....	5.1	3.0	—7.2
Hogs.....	19.5	6.5	—9.1
Sheep.....	—5.3	—6.9	—18.5

Financial

MEMBER BANK OPERATIONS: Comparative statements of fifty-three reporting member banks in selected cities of the Tenth District show that between April 12 and May 10 their net demand deposits increased 3.6 per cent and their loans and discounts 1 per cent. Investments were reduced 1.5 per cent and time deposits declined 0.6 per cent.

In the fifty-two weeks ended May 10, these banks reduced their loans secured by stocks and bonds 22.7 per cent, "all

other" loans 18.7 per cent, and total loans and discounts 19.8 per cent. Increased holdings of United States securities, which on May 10 were 20 per cent larger than on May 11, 1932, more than offset a decline of 11.1 per cent in investments in other bonds, stocks, and securities, and resulted in a 5.6 per cent increase in total investments. Net demand deposits declined \$10,000,000, or 3 per cent, and time deposits \$17,000,000, or 9.7 per cent, between May 11, 1932, and May 10, 1933.

The accompanying table shows the principal items contained in the weekly condition statements of the fifty-three reporting member banks as of the three dates of comparison:

	May 10, 1933	Apr. 12, 1933	May 11, 1932
Loans and investments—total.	\$476,000,000	\$478,000,000	\$514,000,000
Loans and discounts—total.	210,000,000	208,000,000	262,000,000
Secured by stocks and bonds	58,000,000	62,000,000	75,000,000
All other loans and discounts.	152,000,000	146,000,000	187,000,000
Investments—total.	266,000,000	270,000,000	252,000,000
U. S. securities.	162,000,000	158,000,000	135,000,000
Other securities.	104,000,000	112,000,000	117,000,000
Reserve with F. R. bank.	46,000,000	47,000,000	42,000,000
Net demand deposits.	319,000,000	308,000,000	329,000,000
Time deposits.	159,000,000	160,000,000	176,000,000
Government deposits.	1,000,000	6,000,000	5,000,000

RESERVE BANK OPERATIONS: There was a substantial decrease in the volume of credit extended to member banks by the Federal Reserve Bank of Kansas City and branches during the four weeks ended May 10. Member banks reduced their borrowings from this bank by 37.4 per cent during the four weeks' period, and our holdings of bills rediscounted as of May 10 showed a reduction of \$14,591,488 since May 11, 1932. This bank's holdings of bills purchased in the open market, which on May 10 were 28.2 per cent larger than on the like date last year, were \$4,985,731 less than four weeks earlier.

No changes in United States Government security holdings were made during the four weeks, and the total of \$57,220,100 as of May 10 this year compares with \$30,346,600 as of May 11, 1932.

Federal reserve note circulation declined \$5,869,400 during the four weeks' period, and \$441,500 of the new Federal reserve bank notes were placed in circulation. The increase in Federal reserve note circulation by this bank since May 1, 1932, amounted to \$36,444,750.

Gold reserves as of May 10 were 7.5 per cent larger than on April 12 and 37.9 per cent larger than on May 11, 1932. Member banks' reserve deposits declined 1.2 per cent in four weeks and increased 9.5 per cent in fifty-two weeks.

The principal resource and liability items contained in the condition statements of this bank and branches as of the three dates mentioned:

	May 10, 1933	Apr. 12, 1933	May 11, 1932
Gold reserves	\$121,263,895	\$112,839,569	\$ 87,956,282
Reserves other than gold	7,871,303	7,728,095	6,621,735
Total reserves	129,135,198	120,567,664	94,578,017
Bills discounted	13,701,845	21,895,491	28,293,333
Bills purchased	1,883,095	6,868,826	1,468,477
U. S. securities	57,220,100	57,220,100	30,346,600
Total bills and securities	72,805,040	85,984,417	60,108,410
Total resources	229,640,048	234,607,445	181,991,277
F. R. notes in circulation	117,350,125	123,219,525	80,905,375
F. R. bank notes in circulation	441,500	—	—
Member banks' reserve deposits	73,863,302	74,797,916	67,459,467

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

BANK DEBITS: Debits to individual accounts by banks in twenty-nine leading cities of the Tenth District for the four weeks' period ended May 3, were 1.3 per cent above the total reported for the preceding four weeks ended April 5 and

15.5 per cent below the corresponding four weeks last year. The decrease, as compared to the previous year, reflects some improvement, being the smallest reported since December, 1930, compared to December, 1929. Payments by check for the first eighteen weeks this year compared to the like period last year declined 19.1 per cent.

The totals for four weeks, by cities, follow:

	FOUR WEEKS ENDED		Per Cent Change
	May 3, 1933	May 4, 1932	
Albuquerque, N. M.	\$ 4,692,000	\$ 7,129,000	-34.2
Atchison, Kans.	2,420,000	2,755,000	-12.2
Bartlesville, Okla.	16,473,000	14,355,000	14.8
Casper, Wyo.	2,919,000	3,957,000	-26.2
Cheyenne, Wyo.	4,511,000	4,702,000	-4.1
Colorado Springs, Colo.	8,283,000	9,435,000	-12.2
Denver, Colo.	87,659,000	101,117,000	-13.3
Enid, Okla.	5,377,000	6,171,000	-12.9
Fremont, Nebr.	1,312,000	2,272,000	-42.3
Grand Junction, Colo.	954,000	1,904,000	-49.9
Guthrie, Okla.	861,000	1,038,000	-17.1
Hutchinson, Kans.	7,459,000	7,699,000	-3.1
Independence, Kans.	1,997,000	4,315,000	-53.7
Joplin, Mo.	6,415,000	5,558,000	15.2
Kansas City, Kans.	8,837,000	10,773,000	-18.0
Kansas City, Mo.	189,400,000	227,307,000	-16.7
Lawrence, Kans.	2,486,000	3,062,000	-18.8
Lincoln, Nebr.	15,867,000	20,941,000	-24.2
Muskogee, Okla.	4,870,000	6,079,000	-19.9
Oklahoma City, Okla.	49,645,000	54,532,000	-9.0
Okmulgee, Okla.	1,647,000	1,990,000	-17.2
Omaha, Nebr.	86,454,000	105,428,000	-18.0
Pittsburg, Kans.	2,625,000	2,822,000	-7.0
Pueblo, Colo.	10,078,000	11,275,000	-10.6
Salina, Kans.	5,034,000	5,684,000	-11.4
St. Joseph, Mo.	19,178,000	23,755,000	-19.3
Topeka, Kans.	11,403,000	11,654,000	-2.2
Tulsa, Okla.	56,520,000	67,795,000	-16.6
Wichita, Kans.	24,223,000	31,751,000	-23.7
Total 29 cities, 4 weeks	\$ 639,599,000	\$ 757,255,000	-15.5
Total 29 cities, 18 weeks	2,860,660,000	3,533,861,000	-19.1

RESERVE BANK CLEARINGS: The Federal Reserve Bank of Kansas City and branches at Omaha, Denver, and Oklahoma City handled 3,936,101 checks for collection in April, representing \$490,067,000. There was an increase for the month of 13.6 per cent in the number of items handled, and 12.9 per cent in the aggregate amount, but as compared to April, 1932, there was a reduction of 18.4 per cent in the number of items handled, whereas, the dollar amount was but 9.9 per cent smaller. April check collections through this bank and branches with comparisons:

	ITEMS		AMOUNT	
	1933	1932	1933	1932
April	3,936,101	4,824,096	\$ 490,067,000	\$ 544,079,000
March	3,465,068	4,875,141	434,091,000	553,048,000
4 Months	14,437,375	18,606,534	1,859,779,000	2,175,695,000

SAVINGS: A majority of the forty-four selected commercial banks and savings institutions in leading cities of the District reported a slight increase in savings deposits in April, but the aggregate for all reporting banks showed a loss of 0.7 per cent, with total savings deposits, as of May 1, 11.1 per cent less than on May 1, 1932. Reductions in the number of savings accounts during April were insignificant and losses since May 1, 1932, were reported at 5.6 per cent.

Savings accounts and savings deposits as reported by forty-four banks:

	Savings Accounts	Savings Deposits
May 1, 1933	358,849	\$ 96,847,340
April 1, 1933	359,212	97,493,362
May 1, 1932	380,164	108,954,263

RETAIL TRADE AT 32 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	SALES				STOCKS (RETAIL)				ACCOUNTS RECEIVABLE				COLLECTIONS	
	April 1933	4 Mos. 1933	April 30, 1933	4 Mos. 1933	April 30, 1933	4 Mos. 1933	April 30, 1933	April 30, 1933	April 30, 1933	April 30, 1933	April 30, 1933	April 1933	April 1933	
	Compared to April 1932	Compared to 4 Mos. 1932	Compared to Mar. 31, 1933	Compared to Apr. 30, 1932	1933	1932	1933	1932	Mar. 31, 1933	Apr. 30, 1932	Mar. 1933	Apr. 1932		
Kansas City.....	4	-10.9	-20.4	1.0	-22.1	.20	.18	.65	.66	3.7	-7.6	10.1	-15.7	
Denver.....	4	-3.1	-17.1	1.6	-22.2	.29	.23	.91	.86	7.6	-10.9	11.2	-16.6	
Oklahoma City....	3	-10.8	-20.8	0.9	-35.4	.32	.24	1.14	.93	5.8	-15.9	2.7	-24.4	
Tulsa.....	3	6.9	-8.4	0.5	-21.8	.41	.30	1.61	1.40	2.8	-8.8	10.9	-12.3	
Wichita.....	3	-16.1	-20.4	4.7	-45.6	.32	.21	.92	.77	2.6	-28.0	16.0	-25.2	
Other cities.....	15	-13.2	-20.2	0.6	-20.1	.24	.23	.86	.88	1.3	-13.3	3.2	-20.9	
Total.....	32	-8.8	-18.7	1.1	-24.1	.26	.22	.86	.82	4.2	-12.9	8.0	-18.9	

NOTE: Percentage of collections in April on accounts March 31, all stores reporting 34.0. Collections same month last year 34.8.

Business Failures

The betterment in business mortality reported for this District and the United States by Dun and Bradstreet, Inc., during the first quarter of this year compared to last, continued in April. This District had 42 more defaults in April than in March, but 19 less than a year ago, and the amount of liabilities involved, although showing an increase of 8.9 per cent for the month, was 64.5 per cent below the April, 1932, total. Of the 121 failures, 13 were manufacturing, 104 trading, and 4 other commercial.

Insolvencies in the United States were less numerous than in any month since November, 1930, and liabilities \$49,971,309 less than in April, 1932, and but 1.5 per cent in excess of the ten-year average.

Business insolvencies reported by Dun and Bradstreet, Inc.:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
April 1933.....	121	\$ 1,479,485	1,921	\$ 51,097,384
March 1933.....	79	1,359,139	1,948	48,500,212
April 1932.....	140	4,170,787	2,816	101,068,693
Four months 1933.....	416	6,237,298	9,166	244,274,266
Four months 1932.....	582	14,722,445	11,957	376,589,315

Trade

RETAIL: Dollar sales of merchandise at thirty-two department stores located in Tenth District cities were 18 per cent larger in April than in March and 8.8 per cent smaller than in April, 1932. The decrease as compared to the corresponding month a year ago was the smallest decrease from the corresponding month of the preceding year reported since June, 1931. The relatively favorable showing made in April was influenced, to a large extent, by the fact that Easter fell in April this year and in March last year. Cumulative sales for the four months of the current year were 18.7 per cent less than in the first four months of 1932.

Inventories declined 1.1 per cent in April and at the close of the month were 24.1 per cent lighter than one year earlier. Collections improved somewhat during the month amounting to 34 per cent of amounts outstanding at the close of March, as compared to collections of 31.7 per cent in March this year and 34.8 per cent in April, 1932.

WHOLESALE: For the fourth consecutive year, April dollar sales of dry goods, hardware, furniture, and drugs de-

clined as compared to the preceding April, and groceries registered their third decline. Declines in dollar volume this year compared to last amounted to 25 per cent for dry goods, and 7.3, 11.4, 19.6, and 16.1 per cent, respectively, for groceries, hardware, furniture, and drugs. Compared to March, sales of dry goods declined 5.9 per cent, whereas, in the two previous years they increased. Sales of hardware and furniture increased more than the usual seasonal amount and those of groceries and drugs showed but slight variation, as usual, the former registering an 0.3 per cent increase and the latter a 1.6 per cent loss.

Exclusive of a decrease of 6.1 per cent reported by wholesalers of furniture, inventory changes during April were fractional with all lines reporting reductions for the year. Stocks on hand April 30 showed the following contractions since April 30, 1932: dry goods, 14.8; groceries, 17.1; hardware, 16.1; furniture, 26.8; and drugs, 20.2 per cent.

Flour Milling

Tenth District flour mills operated at a higher rate of activity and produced more flour during April than in any month since November, 1931. Production, as estimated from the weekly reports of southwestern mills to the Northwestern Miller, totaled 2,244,455 barrels, representing an increase of 10.8 per cent as compared to March, 14.6 per cent as compared to April, 1932, and 23.9 per cent as compared to the ten-year average April output. Mills operated at 75.5 per cent of full-time capacity in April as against 63.1 per cent in the preceding month and 63.2 per cent in the like month last year.

The estimated production figures for the reporting mills:

	Apr. 1933	Mar. 1933	Apr. 1932
	Barrels	Barrels	Barrels
Atchison.....	139,323	129,721	113,120
Kansas City.....	560,781	573,506	593,044
Omaha.....	112,933	105,962	65,797
Salina.....	197,184	154,169	158,427
Wichita.....	205,897	195,257	219,551
Outside.....	1,028,337	867,570	808,732
Total southwestern mills.....	2,244,455	2,026,185	1,958,671
*United States.....	6,013,692	5,568,721	5,367,252

*Represents about two-thirds of the total output in the United States.

Domestic inquiry for flour was active and general as grain prices advanced regularly and rapidly. The forepart of April buyers were hesitant to book and orders were confined largely

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Reporting Stores	SALES		OUTSTANDINGS		COLLECTIONS		STOCKS		
	Apr. 1933	Apr. 1932	Apr. 30, 1933	Apr. 30, 1932	Apr. 1933	Apr. 1932	Apr. 30, 1933	Apr. 30, 1932	
	compared to Mar. 1933	compared to Mar. 1932	compared to Mar. 31, 1933	compared to Apr. 30, 1932	compared to Mar. 1933	compared to Apr. 1932	compared to Mar. 31, 1933	compared to Apr. 30, 1932	
Dry goods.....	6	-5.9	-25.0	1.2	-17.5	6.6	-15.9	1.6	-14.8
Groceries.....	5	0.3	-7.3	3.8	-4.0	-1.7	0.1	0.8	-17.1
Hardware.....	9	19.6	-11.4	1.4	-7.8	17.5	-16.0	Even	-16.1
Furniture.....	5	23.6	-19.6	4.8	-20.8	13.1	-20.2	-6.1	-26.8
Drugs.....	5	-1.6	-16.1	0.6	-12.0	-5.3	-22.1	-0.7	-20.2

to single and mixed carlots, but at the close numerous sales of round lots were made. Bakers, on the whole, were reported well supplied for the balance of the old crop year and their inquiries were centered on new crop flour, with most millers reluctant to book beyond 60 or 90 days, although some sales were made with delivery extending to January 1. Family flour was in active demand and jobbers increased their inventories. Shipping instructions were very good but export trade was dull. Net price advances for the month ranged from 80 cents to \$1 per barrel.

Grain Marketing

Arrivals of all classes of grain at the five principal grain markets of the District during April were somewhat short of the ten-year average volume. Receipts of wheat, despite the sharp advance in price, were 18.7 per cent smaller than in March and 43.6 per cent under a year ago. Marketings of corn, oats, and rye were substantially heavier than in either the preceding month or the corresponding month last year. Barley and kafir were in increased supply for the month but were only equal to about one-half of the April, 1932, offerings.

Receipts of the six classes of grain at the five markets:

	Wheat Bushels	Corn Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Kafir Bushels
Hutchinson.....	673,650	.....	.....	.....	.....	16,900
Kansas City.....	2,238,400	1,618,000	312,000	33,500	28,800	154,000
Omaha.....	742,400	1,143,800	222,000	58,800	14,400	.....
St. Joseph.....	240,000	831,000	536,000	.....	1,750	.....
Wichita.....	714,000	14,300	1,500	1,300	.....	2,600
April 1933.....	4,608,450	3,607,100	1,071,500	93,600	44,950	173,500
March 1933.....	5,665,750	1,472,550	651,500	38,500	27,350	112,900
April 1932.....	8,166,700	1,431,550	396,500	8,700	94,750	348,200
4 Months 1933.	21,918,050	9,836,450	3,262,500	215,000	150,100	544,600
4 Months 1932.	51,697,350	6,271,250	2,752,500	56,900	318,650	1,306,000

Featured by sensational advances in wheat and kafir, prices of all grains, except barley, closed the month higher than one year earlier. Number 1 hard and dark cash wheat at Kansas City advanced 15 cents per bushel to close at 65½ cents as against 49 cents last year. Kafir was up 16, rye 7½, corn 4½, and oats and barley 3½ cents per bushel for the month, closing at 73, 48½, 34½, 24½, and 32½ cents, respectively, as against 54, 43, 30, 24, and 38 cents per bushel on April 30, 1932. With corn leading the advance, the following additional gains were made in the first two weeks of May: corn 9, kafir 7, wheat 5, barley 3, and oats and rye 1½ cents per bushel. Future quotations advanced more rapidly than cash gains; the more extended the date of delivery, the higher the price.

Agriculture

General and generous rains the latter part of April and the first three weeks of May relieved drought conditions which have prevailed for the past two and three years in many sections of the District. Seeding operations progressed as usual the forepart of April, except in dry regions where soil conditions were unfavorable, but recent rains have retarded planting and the below normal temperatures have not been favorable to the best plant growth. Meadows and pastures are backward and some reseeding of early planted corn has become necessary. Moisture supplies are now generally sufficient for current needs, and warm, open weather is needed for field work and plant development.

CROPS: All states of the District, except New Mexico, reported a marked improvement in the condition of winter wheat between April 1 and May 1 but coincidentally produc-

tion estimates of the United States Department of Agriculture for the seven states combined only increased 10,372,000 bushels to a May 1 forecast of 126,386,000 bushels. This compares with 196,278,000 bushels harvested in 1932, and a 1926 to 1930 average production of 302,499,000 bushels. The percentage condition figure for the United States improved from 59.4 per cent of normal on April 1 to 66.7 per cent on May 1, the lowest for that date of record. The estimate indicates an increase of 3,398,000 bushels during April, with this year's harvest forecast, on the basis of May 1 prospects, at 337,485,000 bushels or 124,666,000 bushels less than last year, and 251,951,000 bushels below the five-year average yield. The small increase in probable yield, despite the improved condition of the growing crop, was due to the record abandonment, amounting to 32.2 per cent of the fall sown acreage. The abandoned acreage is reported as virtually past the stage of recovery. In 1932, 13.7 per cent of the fall sown area was abandoned and in the ten-year period (1921-1930) abandonment averaged 12.2 per cent. Abandonment in this District is largely confined to central and western Kansas, eastern Colorado, and the panhandle counties of Nebraska and Oklahoma. Wheat is heading now but the weather has been too cool for the best growth.

The United States Department of Agriculture May 1 estimates on abandonment, remaining acreage, and production of winter wheat, follow:

	Per Cent		ACREAGE		PRODUCTION (000 bu.)		
	Abandoned	1933 1932	Left for Harvest	Final 1932	Indicated	Final 1932	Average 1926-30
Colorado.....	70	60	263,000	487,000	2,104	4,383	15,672
Kansas.....	48	21	5,968,000	9,252,000	58,486	106,398	153,186
Missouri.....	6	10	1,232,000	1,326,000	16,016	14,851	18,094
Nebraska.....	30	33	2,023,000	2,050,000	24,276	24,600	59,422
New Mex.	45	42	198,000	220,000	990	1,320	2,102
Oklahoma.....	30	10	2,992,000	3,966,000	23,936	43,626	52,386
Wyoming.....	50	35	68,000	110,000	578	1,100	1,637
7 States.....	40	22.3	12,744,000	17,411,000	126,386	196,278	302,499
U. S.....	32.2	16.7	27,096,000	33,656,000	337,485	462,151	589,436

Rye experienced about the same unfavorable conditions as winter wheat, with the present acreage remaining for harvest in the nation the smallest since 1914, and production forecast at 30,502,000 bushels as against 39,855,000 bushels last year. Of the 550,000 acres sown in the District, 296,000 remain for harvest and the indicated yield is 2,744,000 bushels as compared to 3,505,000 bushels threshed last year. Barley and much of the oats in this District were planted late under unsatisfactory conditions, and the present condition, on the whole, is below normal.

Corn planting progressed rapidly up to the first week in May but was retarded by rains the second and third weeks, and by May 21 less than the usual amount of planting had been completed. Wet fields and cool weather have been unfavorable to germination, with some replanting made necessary by washing and rot. The planting of cotton is nearing completion in New Mexico but was somewhat delayed in Missouri and Oklahoma by wet weather.

Tame and wild hay and pasture growth has been extremely backward this spring, and the May 1 condition was below average in all states, with Missouri reporting the only improvement over a year ago. Lack of early moisture and a backward spring are the chief causes of the low condition.

April weather was favorable for fruit pollination and blooms were heavy on everything except peaches, apricots, and plums. Missouri reports the apple set unusually good although the

drop in some orchards has been heavy. Reports indicate the Arkansas Valley acreage of cantaloupes, watermelons, and onions will be about the same this year as last, and the vegetable acreage, under a "live at home" program, will be the largest in years in all states.

FARM INCOME: The deflationary effect of low prices on agricultural purchasing power is vividly disclosed by estimates of the Department of Agriculture released recently, which are summarized for the United States and the seven states of this District in the following table (Totals are in thousands of dollars):

	GROSS INCOME		CASH INCOME	
	United States	Seven States	United States	Seven States
1932.....	\$ 5,141,479	\$ 723,115	\$ 4,199,447	\$ 605,982
1931.....	6,908,877	1,060,159	5,746,528	911,366
1930.....	9,413,545	1,486,205	7,987,606	1,300,017
1929.....	11,916,590	1,931,663	10,284,479	1,706,582

According to the report, cash available, after deducting production expenses in 1932 for the country as a whole, was only \$1,302,000,000 compared with \$4,657,000,000 in 1929. Expenses over which the farmer had control have been reduced about 59 per cent, but taxes have declined but 19 per cent and interest charges 6 per cent since 1929. Cash income decreased \$6,000,000,000 between 1929 and 1932. The inventory value of all land and buildings declined from \$48,000,000,000 in 1929 to \$37,000,000,000 in 1932 and livestock on farms from \$6,600,000,000 to about \$3,500,000,000.

Declines in income were due mainly to lower prices as the volume of production was not reduced more than 5 per cent between 1929 and 1932. Income as to source is divided into two classifications, crops, and livestock and livestock products. In this District the total farm value of crops produced declined 67.8 per cent and that of livestock and livestock products 56.8 per cent from 1929 to 1932. Cash income from crops declined 74.1 per cent and from livestock 58.4 per cent. Tenth District cash income declined the most from 1929 to 1930, but losses, on a percentage basis, were the heaviest for 1932 compared to 1931. Farm value is the evaluation of the total outturn irrespective of use; cash income is the value of quantities sold; gross income is cash income plus the value of products consumed by the farm household. Farm value, by states, is shown elsewhere in this review.

There was some improvement from March 15 to April 15 in the relationship between the prices paid and prices received by farmers. The Department of Agriculture's index of prices paid by farmers for commodities purchased declined 1 point to the 1909-1914 average of 100 for the first time since 1913, and the index number of farm prices, all groups combined, improved 3 points to 53 per cent of pre-war, with the ratio of prices paid to prices received standing at 53 on April 15 or 4 points above the low of June, 1932, and February, 1933, and the highest since September, 1932. All farm commodity groups except dairy products were higher on April 15 than

on March 15. The more rapid rises in grain prices occurred after April 15 and livestock values did not advance perceptibly until the forepart of May, therefore, these index figures do not clearly reflect the improvement in agricultural prices that have recently transpired.

Livestock

MARKETING: Receipts of all species of livestock at the six principal markets of the District, including hogs shipped direct to packers' yards, were somewhat larger in April than in the preceding month. Marketings of cattle were 6.4 per cent and of sheep and lambs 12.2 per cent lighter than a year ago, but the supply of calves was 18 per cent and that of hogs 2.9 per cent heavier. April receipts of cattle at the six markets were the lightest for the month in many years and receipts of sheep the lightest since 1928. Marketings of horses and mules were the largest since 1929.

Price changes during April were moderate with some classes of cattle, hogs, and sheep and lambs showing increases and other classes showing reductions. The improved livestock prices since May 1, a development contrary to the usual seasonal trend, has been facilitated by higher grain, hide, lard, and wool prices, and sharp reductions in the marketing of livestock. On May 18, with best hogs at Kansas City selling up to \$4.90, cattle \$7, spring lambs \$7.50, and shorn lambs at \$6.25 per hundredweight, values showed advances from the year's low of \$1 for cattle and \$2 for hogs and lambs, with all species selling higher on that date than a year earlier. Stocker and feeder steers met a broad outlet the latter half of April and the forepart of May with prices for the week ending May 18 averaging \$5.40 per hundredweight as against \$5.06 the previous week and \$4.84 a year ago. The rise in corn prices, without a corresponding increase in livestock values, may cause some producers of pork and beef to sell earlier than they had planned.

RANGES AND PASTURES: April rains improved pastures and ranges and replenished stock water supplies, which had become extremely short in many areas. Due to the shortage of moisture the two preceding years and a cool spring, ranges and pastures are late and short which, in connection with stormy weather, resulted in some shrinkage of livestock in April. Western range conditions as of May 1 were, according to the Division of Crop and Livestock Estimates, the lowest in the eleven years the reports have been issued. Range cattle declined 1 point and sheep 2 points in April, with the May 1 condition of cattle placed at 81 and of sheep 82 per cent of normal or 7 and 10 points, respectively, below the ten-year average for that date. Cattle losses have been light but recent weather conditions have been unfavorable for lambing and

FARM VALUE OF CROPS, AND LIVESTOCK AND LIVESTOCK PRODUCTS PRODUCED IN THE UNITED STATES AND THE SEVEN STATES, WHOSE AREAS OR PARTS THEREOF COMPRISE THE TENTH FEDERAL RESERVE DISTRICT, FOR THE YEARS 1929, 1930, 1931, and 1932.

Estimated by the United States Department of Agriculture.

In thousands of dollars (000 OMITTED).

	CROPS				LIVESTOCK AND LIVESTOCK PRODUCTS			
	1932	1931	1930	1929	1932	1931	1930	1929
Colorado.....	\$ 40,646	\$ 61,147	\$ 123,016	\$ 134,651	\$ 41,289	\$ 55,968	\$ 75,857	\$ 92,920
Kansas.....	89,970	155,840	210,336	304,936	126,846	178,879	242,577	285,548
Missouri.....	98,310	143,351	161,391	253,060	146,373	199,695	269,900	324,568
Nebraska.....	91,739	129,690	243,888	326,658	128,544	206,122	286,782	330,498
New Mexico.....	11,043	17,828	21,150	35,503	17,811	23,665	32,280	41,642
Oklahoma.....	86,463	112,202	134,573	252,348	63,799	84,667	110,203	140,597
Wyoming.....	14,027	17,998	28,075	33,274	19,980	26,956	36,124	45,656
Seven states.....	\$ 432,198	\$ 638,056	\$ 922,429	\$1,340,430	\$ 544,642	\$ 775,952	\$1,053,723	\$1,261,429
United States.....	3,500,617	4,536,529	6,432,151	8,897,094	3,159,386	4,350,137	5,770,696	6,707,999

April storms caused some heavy losses of ewes and lambs in Wyoming, which will materially reduce this season's lamb crop from that state. A good lamb crop is expected in most parts of Colorado, but prospects are not so good in New Mexico. Missouri, the principal early lambing state of the corn belt, reports the early crop as smaller than last year but the May 1 condition about the same.

The movement of cattle from the southwest to Kansas and Oklahoma grass reached its peak about May 1, or a week later than last year. With drought conditions relieved, water supplies ample, and prices improved, indications are that Kansas pastures will receive a slightly larger number of cattle than a year ago and Oklahoma nearly the same number.

Shipments of sheep and lambs from feed lots in northern Colorado, the Arkansas Valley, and Scottsbluff sections from January 1 to May 13 totaled 7,436 cars, a year ago 7,715 cars, and two years ago 7,574 cars.

WOOL AND HIDES: Wool prices have advanced rapidly from the recent lows. Missouri medium was selling at 17 to 18 cents per pound the third week of May as against this year's low of 12 to 13 cents and last year's price of 10 cents. Sales of western wool are reported from 19 to 27 cents, or an average of 23 cents per pound. The season's opening bids ranged from 13 to 15 cents. Bids for Texas wool reached 21 to 25 cents in May, whereas, a year ago the price average was 9½ cents compared to 16½ cents in 1931 and 26½ cents in 1930. Prices of hides have doubled in the past sixty days, with country run steer hides selling at 6½ cents per pound in May compared to the recent low of 2½ cents and a 1932 low of 2½ cents.

Meat Packing

Packers purchased more calves and hogs, including hogs bought direct from producers, and fewer cattle and sheep for slaughter at the six principal Tenth District markets in April than in March this year or April last year. The April slaughter of cattle was the smallest in recent years and that of sheep the smallest since 1928. More hogs were butchered during the month than in the same month of any year since 1929. Purchases for slaughter from January 1 to May 1, inclusive, were somewhat smaller for all classes than during the like period of 1932.

The number of hogs slaughtered under Federal meat inspection during April was 6.8 per cent larger than in March, 3.6 per cent larger than in April, and the third largest of record for the month. The slaughter of cattle at all markets was 5 per cent smaller than a year ago or the ten-year average. Approximately the same number of sheep was killed in April as in March, but the April total was 5.9 per cent below that of April, 1932. Cumulative slaughter since January 1 was smaller for all species than a year ago, with that of cattle showing a decline of 4.2, calves 4.4, hogs 7.1, and sheep 10.6 per cent.

POULTRY AND DAIRY PRODUCTS: Creamery butter advanced 5 cents and butterfat 4 cents per pound in April. Cheese prices, contrary to usual seasonal trends, advanced 2 to 2½ cents and closed higher than at the same time in 1932. First quarter production of cheese was officially estimated as 6 per cent heavier than a year ago or the five-year average, but was readily absorbed. Eggs closed the month 2 cents per dozen higher but poultry prices were unchanged.

Cold Storage Holdings

A comparison of the reports of the Bureau of Agricultural Economics on United States cold storage holdings discloses a somewhat lighter seasonal out-of-storage movement of beef and lamb and mutton during April this year than in April, 1932, or the five-year average for that month. The net decrease in holdings of poultry was slightly larger than last year and of approximately normal volume. Inventories of lard displayed somewhat more than the usual seasonal gain, and stocks of pork, which normally decline, increased 19,433,000 pounds as against an increase of 6,867,000 pounds in April last year. May 1 holdings of all classes of meats were, however, considerably below the five-year average inventories as of that date, with stocks of beef showing a shortage of 47.8; pork, 26.1; lamb and mutton, 32.9; poultry, 20.8; miscellaneous meats, 41.6; and lard, 46.3 per cent.

An improved demand for cheese is indicated by substantially heavier than usual withdrawals in April, but stocks of creamery butter increased slightly, whereas, they normally decline. Inventories of cheese, all varieties combined, as of May 1, were 18.2 per cent and of butter 23.7 per cent below the five-year average.

Egg storage increased rapidly during April, the increase for the month, cased and frozen eggs combined, totaling 3,527,000 cases, or 876,000 more than a year ago. Month-end storage holdings were 25 per cent larger than on May 1, 1932, and 2.3 per cent in excess of the May 1 five-year average.

Holdings of only two commodities, lamb and mutton and eggs, were larger on May 1 this year than on May 1, 1932.

May 1 cold storage holdings in the United States:

	*May 1	Apr. 1	May 1	May 1
	1933	1933	1932	5-Yr. Av.
Beef, lbs.....	39,501	33,781	41,226	58,380
Pork, lbs.....	629,673	610,240	799,064	852,503
Lamb and mutton, lbs.....	1,764	1,818	1,061	2,628
Poultry, lbs.....	45,900	67,285	56,676	57,950
**Turkeys, lbs.....	9,174	12,765	9,596	8,927
Miscellaneous meats, lbs.....	44,842	41,858	60,028	76,752
Lard, lbs.....	71,851	61,674	111,007	133,888
Eggs, cases.....	4,848	1,833	2,982	4,475
Eggs, frozen (case equivalent).....	1,800	1,288	2,341	2,020
Butter, creamery, lbs.....	9,395	9,255	10,394	12,308
Cheese, all varieties, lbs.....	43,589	48,806	50,764	53,290

*Subject to revision.

**Included in Poultry.

(000 omitted)

APRIL 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.....	100,792	15,932	*277,547	203,760	32,913	3,955	4,381	12,602	44,482	10,642	*261,750	121,206
Omaha.....	94,103	6,057	213,561	197,046	15,751	1,650	1,960	28,247	60,932	4,407	189,719	119,470
St. Joseph.....	27,810	6,190	93,877	140,502	4,951	803	1,061	14,455	21,081	5,230	85,439	100,867
Denver.....	18,805	4,673	62,144	234,659	5,411	2,489	299	3,997	8,882	2,061	49,504	20,062
Oklahoma City.....	15,536	3,993	64,970	7,817	-----	-----	-----	-----	8,441	3,501	60,530	6,417
Wichita.....	20,018	4,274	61,149	18,284	-----	-----	-----	-----	6,760	1,455	59,182	16,189
April 1933.....	277,064	41,119	773,248	802,068	59,026	8,897	7,701	59,301	150,578	27,296	706,124	384,211
March 1933.....	250,516	34,729	667,213	729,585	38,867	6,288	5,334	40,019	154,099	25,980	590,781	405,506
April 1932.....	295,916	34,832	751,569	913,819	45,992	5,634	4,117	66,222	162,246	26,499	663,311	412,618

*Includes 166,686 hogs shipped direct to packers' yards.

Building

There was some improvement in residential construction in this District during April but no expansion in general building activity was recorded.

The F. W. Dodge Corporation report on the cost of total and residential building contracts awarded in this District and the United States in April is contained in the following table with comparisons:

TOTAL BUILDING CONTRACTS AWARDED

	TENTH DISTRICT		UNITED STATES	
	1933	1932	1933	1932
April.....	\$ 2,026,945	\$ 5,767,505	\$ 56,573,000	\$121,704,800
March.....	3,165,116	5,354,898	59,958,500	112,234,500
Four months....	11,156,455	20,197,126	252,599,800	407,783,500

RESIDENTIAL CONTRACTS AWARDED

	TENTH DISTRICT		UNITED STATES	
	1933	1932	1933	1932
April.....	\$ 670,198	\$ 1,031,167	\$ 19,143,600	\$ 28,894,700
March.....	544,991	1,040,846	16,021,000	33,208,600
Four months....	2,470,860	3,590,578	58,920,800	114,024,900

Building departments in seventeen reporting Tenth District cities issued more permits in April than in March but they were largely for alterations and repairs, and the estimated cost of construction, although exceeding the March total, was the smallest April total in years and less than 10 per cent of the ten-year average.

BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1933	1932	1933	1932
Albuquerque, N. M.....	43	65	\$ 15,091	\$ 47,376
Cheyenne, Wyo.....	21	31	3,612	10,588
Colorado Springs, Colo.....	25	52	9,700	47,355
Denver, Colo.....	362	544	159,450	313,305
Joplin, Mo.....	16	23	7,000	10,750
Kansas City, Kans.....	59	47	26,470	22,705
Kansas City, Mo.....	176	215	120,500	480,000
Lincoln, Nebr.....	48	56	25,363	26,510
Oklahoma City, Okla.....	77	136	101,118	218,331
Omaha, Nebr.....	93	103	106,570	306,368
Pueblo, Colo.....	44	60	5,911	11,052
Salina, Kans.....	9	21	7,810	9,375
Shawnee, Okla.....	15	9	5,450	5,830
St. Joseph, Mo.....	36	49	9,350	30,867
Topeka, Kans.....	52	59	42,295	30,550
Tulsa, Okla.....	73	62	28,795	77,965
Wichita, Kans.....	58	75	16,892	65,168
Total 17 cities, April.....	1,207	1,607	\$ 691,377	\$1,714,095
Four months.....	3,245	4,272	2,398,091	4,459,400

Lumber

Sales of lumber at 157 retail yards located throughout the District expanded 21.8 per cent in April, and dollar sales of all materials were 23.9 per cent above the March totals. Compared to April, 1932, lumber sales showed a loss of 6.3 per cent and dollar sales a loss of 13.3 per cent.

These yards increased their stocks of lumber 3.7 per cent during the month, with inventories, as of April 30 this year, 13.6 per cent smaller than on April 30, 1932. Collections in April amounted to 20.7 per cent of amounts outstanding on March 31. March collections equalled 17.9 per cent and April, 1932, collections 21 per cent of accounts receivable.

The retail lumber business for the month of April is herewith compared to that of March, 1933, and April, 1932, in percentages of increase or decrease:

	April 1933	Compared to	April 1932
	March 1933		
Sales of lumber, board feet.....	21.8		- 6.3
Sales of all materials, dollars.....	23.9		-13.3
Stocks of lumber, board feet.....	3.7		-13.6
Outstandings, end of month.....	2.6		-23.2

Cement

Output of finished Portland cement at mills in this District, as reported by the Bureau of Mines, Department of Commerce, increased 65 per cent in April, was the largest for any month since November, and exceeded the April, 1932, production by 272,000 barrels. Shipments showed a corresponding increase for the month but were only 51,000 barrels larger than a year ago. Stocks at the close of April were the lowest since June 30, 1932.

United States production was the largest since December but 24 per cent below that of last April. Shipments exceeded production and stocks were at the year's low level on April 30.

Production, shipments, and stocks of finished Portland cement in thousands of barrels:

	TENTH DISTRICT			UNITED STATES		
	Production	Shipments	Stocks	Production	Shipments	Stocks
April 1933.....	500	682	1,783	4,183	4,949	20,532
March 1933.....	303	410	1,966	3,684	3,510	21,298
April 1932.....	176	631	1,882	5,478	6,536	26,496
4 Months 1933	1,215	1,723	.....	13,602	13,239	.....
4 Months 1932	1,258	1,495	.....	19,322	17,020	.....

Bituminous Coal

Estimates based on the weekly reports of the United States Bureau of Mines, reflect about the usual seasonal decline in the production of soft coal at mines in the six coal producing states of the District in April. Output was 21.6 per cent below the March total and 4.9 per cent less than a year ago, establishing a new April low for recent years.

Production figures for the United States and the six states follow:

	*April 1933	*March 1933	April 1932
	Tons	Tons	Tons
Colorado.....	289,000	379,000	273,000
Kansas.....	108,000	165,000	104,000
Missouri.....	184,000	262,000	191,000
New Mexico.....	68,000	80,000	93,000
Oklahoma.....	30,000	42,000	36,000
Wyoming.....	250,000	257,000	280,000
Total six states.....	929,000	1,185,000	977,000
Total United States.....	19,510,000	23,685,000	20,300,000

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

Zinc and Lead

Shipments of zinc ore and lead ore from the Tri-state district were light the forepart of April as a majority of the major producers were idle. This condition materially reduced supplies, but deliveries improved with the reopening of a number of mills at the beginning of the third week of the month, and April shipments of both classes of ore were somewhat larger than in either the preceding month or the corresponding month a year ago.

Shipments of zinc ore and lead ore from mines in Missouri, Kansas, and Oklahoma:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	9,063	\$ 186,226	1,692	\$ 62,804
Kansas.....	4,873	96,320	270	9,356
Missouri.....	490	10,290	122	4,130

4 Weeks ended April 29, 1933.....	14,426	\$ 292,836	2,084	\$ 76,290
4 Weeks ended April 1, 1933.....	11,682	207,524	1,837	63,396
4 Weeks ended April 30, 1932.....	14,347	243,899	1,032	25,725
17 Weeks ended April 29, 1933.....	83,943	1,500,164	8,652	291,078
17 Weeks ended April 30, 1932.....	54,016	938,732	11,227	428,961

Price advances of \$2 and \$4 per ton for zinc ore and \$2.50 and \$5 per ton for lead ore carried the former to a closing price of \$24 per ton, or \$7 higher than a year earlier, and the latter to \$40, or \$15 above last year's quotations.

Petroleum

Estimates based on the weekly reports of the American Petroleum Institute for April this year compared to the official figures of the United States Bureau of Mines for March, 1933, and April, 1932, indicate a falling off in crude oil production in each of the five oil producing states in this District during April. Total production for the month was 19.9 per cent less than in March and 8.3 per cent under a year ago.

The production figures, as estimated, are shown in the following table:

	*Apr. 1933 Barrels	Mar. 1933 Barrels	Apr. 1932 Barrels
Oklahoma.....	11,613,000	15,699,000	13,450,000
Kansas.....	3,550,000	3,597,000	2,882,000
Wyoming.....	923,000	980,000	1,243,000
Colorado.....	74,000	87,000	105,000
New Mexico.....	1,087,000	1,175,000	1,122,000
Total five states.....	17,247,000	21,538,000	18,802,000
Total United States.....	62,961,000	75,302,000	67,717,000

*Estimated, American Petroleum Institute.

Crude oil prices were unchanged in April but the first week in May purchasing companies reduced the quotations ranging from 28 to 55 cents per barrel per gravity basis to a flat 25 cents per barrel irrespective of grade.

Field activity continues quiet although there were more wells completed in this District in April than in March, 1933, or April, 1932.

A summary of drilling operations follows:

	TENTH DISTRICT			UNITED STATES		
	Comple- tions	New Prod'n	Rigs Up and Wells Drilling	Comple- tions	New Prod'n	Rigs Up and Wells Drilling
April 1933.....	145	71,670	700	747	266,162	2,290
March 1933..	129	45,335	668	811	259,201	2,330
April 1932.....	128	76,115	726	1,132	168,732	2,941
4 Mos. 1933..	549	256,593	.....	3,368	987,658	.....
4 Mos. 1932..	474	335,401	.....	3,907	638,263	.....

Life Insurance

The Life Insurance Sales Research Bureau reported April sales of new paid-for ordinary life insurance in the states of Colorado, Kansas, Missouri, Nebraska, and Wyoming as smaller and in New Mexico larger than one month or one year earlier. In Oklahoma, the April total exceeded that of March but was under the April, 1932, figure.

Sales by states and for the nation are shown as reported in the following:

	April 1933	March 1933	April 1932
Colorado.....	\$ 3,497,000	\$ 3,741,000	\$ 4,188,000
Kansas.....	4,844,000	5,213,000	5,374,000
Missouri.....	14,884,000	15,668,000	17,201,000
Nebraska.....	3,805,000	4,251,000	4,920,000
New Mexico.....	588,000	475,000	569,000
Oklahoma.....	4,614,000	4,139,000	5,842,000
Wyoming.....	437,000	582,000	679,000
Seven states.....	\$ 32,669,000	\$ 34,069,000	\$ 38,773,000
United States.....	463,813,000	462,298,000	556,927,000

Business Conditions in the United States

By the Federal Reserve Board

Industrial activity increased considerably during April and the first three weeks of May and wholesale prices of many leading commodities advanced, particularly in the latter part of April and the early part of May. Following the imposition of an embargo on gold on April 20 the exchange value of the dollar declined and on May 20 was 87 per cent of its gold parity.

PRODUCTION AND EMPLOYMENT: Volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 60 per cent of the 1923-1925 average in March to 67 per cent in April, as compared with 63 per cent a year ago and a low of 58 per cent last July. Activity at steel mills increased from 15 per cent of capacity in March to 25 per cent in April and there was a further increase in the first three weeks of May. Increased activity in the steel industry reflected chiefly increased demand from automobile producers and from miscellaneous sources, while demand from the railroad and construction industries continued at low levels. At textile mills and shoe factories, production increased considerably during this period. Output of petroleum fluctuated widely, declining in the middle of April and subsequently increasing to a high level.

Volume of factory employment and payrolls increased between the middle of March and the middle of April by an amount somewhat smaller than the decrease in the preceding month.

Value of construction contracts, as reported by the F. W. Dodge Corporation, continued at previous low levels in April, but showed a considerable increase in the first half of May. Total value of awards in these six weeks was considerably smaller than in the corresponding period a year ago.

DISTRIBUTION: Freight traffic, which was at a low level in March, increased during April and the first two weeks of May by more than the usual seasonal amount, reflecting chiefly large increases in shipments of miscellaneous products, grains, and livestock.

Department store sales increased sharply from March to April and the total for these two months showed slightly more than the usual seasonal increase over the volume of sales in January and February.

WHOLESALE PRICES: During April, particularly in the latter part of the month, there were substantial increases in the wholesale prices of grains,

flour, sugar, textile raw materials and finished products, hides, pig iron, non-ferrous metals, and rubber. Prices of most of these commodities continued to advance rapidly in the first two weeks of May and showed little change in the third week of the month. Prices of livestock, which did not advance in April, increased considerably in the first three weeks of May. Silver prices after advancing by a substantial amount in the latter part of April subsequently showed a decline, and petroleum prices also were reduced.

FOREIGN EXCHANGE: During the four weeks following the imposition of the embargo on gold the exchange value of the dollar declined to 83 per cent of its gold parity on May 5, but subsequently rose to 86 per cent on May 20. The noon buying rate of cable transfers on the French franc rose from 3.98 cents on April 18 to 4.50 cents on May 20, and the rate on the English pound rose from \$3.49 to \$3.87.

BANK CREDIT: During the four weeks ending May 17 about \$215,000,000 of additional currency was returned to the reserve banks, and on that date all but \$200,000,000 of the \$1,930,000,000 withdrawn by banks and individuals between February 1 and March 13 had been returned. Funds arising from the return of currency during the four week period were used to reduce reserve bank holdings of acceptances by an additional \$130,000,000 and to liquidate \$85,000,000 of member bank indebtedness at the reserve banks. As the result of an addition of about \$100,000,000 to the reserve banks holding of gold, and a further reduction of Federal reserve notes in circulation, the reserve ratio of the reserve banks rose considerably between April 19 and May 17. The decline in Federal reserve notes reflected in part an increase of \$50,000,000 in Federal reserve bank notes in circulation.

Loans and investments of reporting member banks in New York City increased about \$400,000,000 between the middle of April and the middle of May, reflecting chiefly a growth of \$200,000,000 in loans on securities, and of \$140,000,000 in investments in United States Government securities. Net demand deposits also increased by about \$400,000,000 of which about one-third represented a further growth of bankers' balances. Money rates in the open market continued at low levels.