

# THE MONTHLY REVIEW

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

FEDERAL RESERVE BANK OF KANSAS CITY

Vol. 20

KANSAS CITY, Mo., JANUARY 1, 1935

No. 1

**S**USTAINED improvement in retail distribution, steady to higher agricultural commodity prices, and recessions in production lines and grain and live stock marketings were disclosed by the November reports and mid-December surveys covering the Tenth Federal Reserve District.

As reflected by the dollar sales of department stores in the principal cities, November retail trade was 1.9 per cent less than in October, whereas it is normally about 8 per cent less, and was 17.1 per cent greater than in November, 1933. Preliminary reports indicate Christmas trade as running well above a year ago, advance estimates for December over December, 1933, ranging from 15 to 20 per cent.

Wholesalers' sales declined about as usual from October to November but the dollar volume for five representative lines combined exceeded that of November, 1933, by 5.9 per cent. Sales of lumber at retail and new paid-for life insurance were also smaller for the month, with lumber sales 15.3 per cent larger and life insurance sales 7.4 per cent smaller than a year ago. Increases over November, 1933, of 12.9 per cent in debits by banks to individual accounts and 18.8 per cent in Federal reserve bank clearings were also recorded. Savings deposits again increased. Business insolvencies were comparatively small both in number and the amount of liabilities involved.

Building activity was retarded somewhat by weather conditions, and expenditures, particularly for residential construction, were minor. The production of flour, crude oil, and bituminous coal declined seasonally. Flour milling, although 8.3 per cent larger than a year ago, was 7 per cent below the ten-year average and the output of crude oil was, for the first time since restrictions became effective, below Federal allowables. Harvesting and fall seeding operations are virtually completed with farm work confined to the care of live stock. The acreage seeded to winter wheat in this District is estimated as 7.5 per cent larger than last season.

Marketings of all classes of grain were extremely light with receipts of wheat less than 30 per cent of normal and arrivals of corn showing a sharp reduction from the heavy movement of recent months. Contraction in forced liquidations and Government purchases of cattle and calves was reflected in substantial declines in supplies at the six primary markets of the District in November as compared to the four preceding months. Receipts were larger than a year ago but below the ten-year average. Feeding ratios being unfavorable, marketings of hogs were of a liquidating character. Offerings consisted of a high percentage of light and unfinished kinds and were unusually large considering the substantial reductions in spring farrowings and numbers on farms the past year. Market receipts of sheep were, with three exceptions, the smallest for any month in fifteen years of record. Horses and mules were in liberal supply.

## BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT

Percentages of Increase, or Decrease (—), for November 1934 over October 1934 and November 1933 and for the first eleven months of 1934 over the like period in 1933.

	November 1934 compared to		11 Months 1934 compared to
	Oct. 1934	Nov. 1933	11 Months 1933
<b>Banking</b>			
Payments by check, 29 cities.....	1.1	12.9	15.7
Federal Reserve Bank clearings.....	—10.4	18.8	38.7
Business failures, number.....	—37.0	—54.7	—52.3
Business failures, liabilities.....	75.7	—35.0	—60.2
Loans, 52 member banks.....	— 3.8	— 1.3	.....
Investments, 52 member banks.....	0.9	23.0	.....
Net demand deposits, 52 member banks	— 1.2	30.6	.....
Time deposits, 52 member banks.....	— 2.2	— 2.2	.....
Savings deposits, 46 selected banks.....	0.8	15.5	.....
Savings accounts, 46 selected banks.....	— 0.3	5.0	.....
<b>Distribution</b>			
Wholesalers' sales, 5 lines combined.....	— 6.5	5.9	16.3
Retailers' sales, 32 department stores....	— 1.9	17.1	16.9
Lumber sales, 155 retail yards.....	—10.8	15.3	5.6
Life insurance, written.....	— 8.1	— 7.4	15.1
<b>Construction</b>			
Building contracts awarded, value.....	—34.2	—15.8	14.0
Residential contracts awarded, value....	—68.7	—48.4	3.0
Building permits in 17 cities, value .....	6.0	57.3	55.5
<b>Production</b>			
Flour.....	— 9.2	8.3	0.4
Crude petroleum.....	— 6.3	— 4.5	3.1
Soft coal.....	— 8.7	5.1	2.5
Zinc ore (shipped) Tri-State district.....	11.8	50.3	14.7
Lead ore (shipped) Tri-State district ...	102.6	1.3	—13.1
Cement.....	37.7	52.7	30.5
<b>Grain receipts, 5 markets</b>			
Wheat.....	—33.8	—45.8	5.6
Corn.....	—68.2	—44.4	12.0
Oats.....	—53.5	— 9.0	—31.1
<b>Live stock receipts, 6 markets</b>			
Cattle.....	—35.1	12.8	61.6
Calves.....	—44.6	20.9	114.3
Hogs.....	7.5	— 1.4	—18.7
Sheep.....	—74.2	—33.5	— 3.8
Horses and mules.....	—20.4	1.6	40.9
<b>Meat packing, 6 markets</b>			
Cattle.....	—17.6	34.5	53.4
Calves.....	—44.6	79.1	150.2
Hogs.....	7.7	— 9.9	—22.9
Sheep.....	—67.3	—26.8	3.3

All grain and feed prices made substantial advances during the month. Only the better grades of cattle and hogs sold at steady to higher prices. Light receipts of sheep and lambs eventually forced values up. Eggs and butterfat were steady, chickens lower, and turkeys higher, with closing quotations for each well above a year ago. Farm purchasing power was unchanged for the month, the Department of Agriculture's index standing at 81 per cent of the 1909-14 average as compared to 69 per cent in November, 1933.

## Financial

**MEMBER BANK OPERATIONS:** The consolidated weekly condition statements of fifty-two reporting member banks in leading cities of the District disclose that between November 14 and December 12 loans and discounts of these banks declined 3.8 per cent, loans secured by stocks and bonds dropping 1.7 per cent, and "all other" loans off 4.6 per cent. Total loans were 1.3 per cent, those secured by stocks and bonds 0.4 per cent, and "all other" loans 1.6 per cent smaller on December 12, 1934, than on December 13, 1933.

Investment holdings reached an all-time high of \$378,053,000 on December 12. This figure was \$3,520,000 above the total of November 14 and exceeded holdings as of December 13, 1933, by \$70,666,000, or 23 per cent. Investments in United States Government securities were enlarged 0.8 per cent in four weeks and 24.4 per cent in fifty-two weeks and purchases of other bonds, stocks, and securities were up 1.3 per cent for the month and 20.4 per cent for the year.

Net demand deposits, although 1.2 per cent smaller on December 12 than four weeks earlier, were, with that exception, higher than on any weekly reporting date since November 12, 1930, and were 30.6 per cent larger than on December 13, 1933. Time deposits showed a decline of 2.2 per cent both as compared to November 14 this year and December 13 last year.

The combined statements of the fifty-two member banks, as of the three dates of comparison, are shown herewith:

	Dec. 12, 1934	Nov. 14, 1934	Dec. 13, 1933
Loans and investments—total..	\$579,464,000	\$583,936,000	\$511,450,000
Loans and discounts—total.....	201,411,000	209,403,000	204,063,000
Secured by stocks and bonds	54,022,000	54,952,000	54,254,000
All other loans and discounts	147,389,000	154,451,000	149,809,000
Investments—total.....	378,053,000	374,533,000	307,387,000
U. S. securities.....	247,690,000	245,826,000	199,147,000
Other bonds, stks., and sec.....	130,363,000	128,707,000	108,240,000
Reserve with F. R. bank.....	93,730,000	94,329,000	69,031,000
Net demand deposits.....	480,874,000	486,841,000	368,134,000
Time deposits.....	161,526,000	165,196,000	165,210,000
Government deposits.....	14,445,000	14,944,000	8,632,000

**RESERVE BANK OPERATIONS:** Changes in the principal resource and liability items, as shown by the weekly condition statements of the Federal Reserve Bank of Kansas City, and branches during the four weeks' period ended December 12, were slight. Loans to member banks were down \$227,229 for the period, with holdings as of December 12 totaling but \$85,615, the smallest amount of record. Industrial advances showed a small increase and now stand at \$256,214. No additional purchases of Government securities were made and total holdings of bills and securities were off 0.7 per cent. Member banks' reserve deposits declined \$3,096,198 from the all-time peak of \$164,111,678 on November 14. Federal reserve note circulation was up 0.4 per cent.

Since December 13, 1933, holdings of bills rediscounted for member banks have declined \$2,021,878 and of bills purchased in the open market \$5,355,688. These declines were more than offset by an increase of 10.2 per cent in holdings of United States Government securities and the new industrial advances, and total holdings of bills and securities are now 1.5 per cent above a year ago. Gains of 11.2 per cent in Federal reserve note circulation and 42.5 per cent in member banks' reserve deposits were recorded for the fifty-two weeks' period.

**RESERVE BANK CLEARINGS:** Transit forces of this bank and branches at Denver, Oklahoma City, and Omaha handled 8.8 per cent fewer items, representing a decrease of 10.4 per cent in the dollar amount, for collection in November than in the previous month. November collections showed increases over the like month last year of 19.1 per cent in the number of items handled and 18.8 per cent in the dollar volume.

The principal resource and liability items of this bank and branches as shown by the weekly condition statements of December 12, and November 14, 1934, and December 13, 1933:

	Dec. 12, 1934	Nov. 14, 1934	Dec. 13, 1933
Total reserves.....	\$195,995,703	\$197,133,895	\$147,902,055
Bills discounted.....	85,615	312,844	2,107,493
Bills purchased.....	153,985	153,857	5,509,673
Industrial advances.....	256,214	239,078	.....
U. S. securities.....	91,844,250	91,844,250	83,341,200
Total bills and securities.....	92,340,064	92,991,443	90,958,366
Total resources.....	319,256,397	327,753,794	269,172,921
F. R. notes in circulation.....	117,824,225	117,326,375	105,965,685
F. R. bank notes in cir.—net.....	.....	.....	9,633,400
Member banks' reserve deposits	161,015,480	164,111,678	113,022,441

The discount rate of the Federal Reserve Bank of Kansas City, on all classes of paper and maturities, was reduced from 3 to 2½ per cent, effective December 21.

**BANK DEBITS:** Twenty-nine cities of the District reported payments by check, or debits by banks to individual accounts, amounted to \$1,048,191,000 in the five weeks and \$9,850,027,000 in the forty-eight weeks' periods ended December 5, 1934. The fore-going totals represent increases over the corresponding five and forty-eight weeks of 1933 of 12.9 and 15.7 per cent, respectively. Debits during the five weeks ended December 5 were 1.1 per cent larger than in the preceding five weeks ended October 31. The figures follow:

	FIVE WEEKS ENDED		Per cent Change
	Dec. 5, 1934	Dec. 6, 1933	
Albuquerque, N. M.....	\$ 11,807,000	\$ 9,216,000	28.1
Atchison, Kans.....	3,243,000	2,903,000	11.7
Bartlesville, Okla.....	21,290,000	26,755,000	-20.4
Casper, Wyo.....	6,112,000	5,197,000	17.6
Cheyenne, Wyo.....	8,071,000	6,468,000	24.8
Colorado Springs, Colo.....	14,427,000	12,878,000	12.0
Denver, Colo.....	144,086,000	124,439,000	15.8
Enid, Okla.....	8,417,000	7,975,000	5.5
Fremont, Nebr.....	2,257,000	2,145,000	5.2
Grand Junction, Colo.....	2,411,000	1,844,000	30.7
Guthrie, Okla.....	1,549,000	1,602,000	-3.3
Hutchinson, Kans.....	10,740,000	9,212,000	16.6
Independence, Kans.....	4,367,000	4,438,000	-1.6
Joplin, Mo.....	8,109,000	7,077,000	14.6
Kansas City, Kans.....	11,126,000	10,070,000	10.5
Kansas City, Mo.....	327,470,000	259,362,000	26.3
Lawrence, Kans.....	3,315,000	3,244,000	2.2
Lincoln, Nebr.....	26,153,000	23,756,000	10.1
Muskogee, Okla.....	8,546,000	9,882,000	-13.5
Oklahoma City, Okla.....	77,671,000	75,010,000	3.5
Oklmulgee, Okla.....	2,650,000	2,641,000	0.3
Omaha, Nebr.....	135,087,000	117,365,000	15.1
Pittsburg, Kans.....	3,494,000	3,414,000	2.3
Pueblo, Colo.....	21,921,000	36,766,000	-40.0
Salina, Kans.....	7,506,000	6,630,000	13.2
St. Joseph, Mo.....	27,309,000	25,857,000	5.6
Topeka, Kans.....	15,772,000	12,538,000	25.8
Tulsa, Okla.....	95,239,000	87,161,000	9.3
Wichita, Kans.....	38,046,000	32,479,000	17.1
Total 29 cities, 5 weeks.....	\$ 1,048,191,000	\$ 928,324,000	12.9
Total 29 cities, 48 weeks.....	9,850,027,000	8,510,493,000	15.7
U. S. 267 cities, 5 weeks.....	32,336,179,000	30,433,680,000	6.3

**SAVINGS:** Savings deposits as reported by forty-six selected banks in leading cities of the District increased 0.8 per cent between November 1 and December 1. This made the thirteenth consecutive monthly gain recorded and carried savings deposits, as of December 1 this year, 15.5 per cent above the total reported for December 1, 1933. The number of savings accounts showed a slight decline for the month but an increase of 5.0 per cent for the year.

Savings accounts and savings deposits in forty-six banks:

	Savings Accounts	Savings Deposits
December 1, 1934.....	396,778	\$118,051,175
November 1, 1934.....	397,795	117,092,247
December 1, 1933.....	377,967	102,214,811

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

Stores Reporting	SALES			STOCKS (RETAIL)				STOCK TURNOVER				ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED	
	Nov. 1934 compared to Nov. 1933	Year 1934 compared to Year 1933	Nov. 30, 1934 compared to Nov. 30, 1933	Nov. 30, 1934 compared to Oct. 31, 1934		Nov. 30, 1933 compared to Oct. 31, 1933		November		Year		Nov. 30, 1934 compared to Nov. 30, 1933		November 1934 compared to November 1933	
				1934	1933	1934	1933	1934	1933	1934	1933	Even	Nov. 30, 1933	Oct. 1934	Nov. 1933
Kansas City.....	4	15.1	13.6	0.2	-18.6	.26	.20	2.65	2.24	—	0.1	3.8	19.9	16.1	
Denver.....	4	26.3	17.4	0.8	1.6	.27	.22	3.12	2.78	—	0.1	8.9	0.1	19.6	
Oklahoma City	3	9.8	20.1	5.8	-3.6	.32	.28	3.78	3.07	—	0.2	5.7	-5.6	15.0	
Tulsa.....	3	16.2	13.6	5.0	-5.4	.34	.27	4.06	3.92	—	3.1	-2.6	7.8	6.5	
Wichita.....	3	24.8	23.8	4.8	16.0	.27	.23	2.98	2.75	—	3.4	5.3	-2.9	18.6	
Other cities.....	15	12.2	16.9	-0.7	1.0	.25	.22	2.68	2.48	—	2.3	-1.9	6.6	12.8	
Total.....	32	17.1	16.9	1.1	-3.9	.27	.23	2.99	2.64	—	0.1	3.7	4.6	15.6	

NOTE: Percentage of collections in November on open accounts October 31, all stores reporting 45.3. Collections same month last year 40.7.

**FAILURES:** Fewer failures and larger liabilities in November than in October were reported for this District by Dun and Bradstreet, Incorporated. However, the number of failures and the amount of liabilities involved, both in the United States and the District, were the lowest for the month in fifteen years of record.

Business failures as reported by Dun and Bradstreet, Inc.:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
November 1934.....	34	\$ 564,470	923	\$ 18,349,791
October 1934.....	54	321,324	1,091	19,968,448
November 1933.....	75	868,533	1,237	25,353,376
Eleven months 1934.....	458	5,762,754	11,222	244,337,566
Eleven months 1933.....	960	14,487,951	19,175	475,630,152

Trade

Retail trade continues to show a decided improvement over a year ago. Reports from thirty-two department stores in cities of this District disclosed the dollar volume of sales for November averaged 17.1 per cent larger than for the corresponding month last year. Increased sales were reported by all stores but one. November business fell only 1.9 per cent short of the October volume, whereas decreases in recent years have averaged about 8 per cent. The aggregate of sales for the year to the opening of December stood 16.9 per cent above that for the like period in the preceding year and was the largest since 1931.

A preliminary survey of Christmas trade indicates December sales are running approximately 15 per cent larger than last season, with the improvement extending to all departments. Inventories are low and replacement orders frequent. The volume is pleasing to merchants but, competition being keen and operating costs up, profits are reported narrow.

Stocks of merchandise on hands November 30 were 1.1 per cent larger than one month earlier but 3.9 per cent smaller than on November 30, 1933, and the lowest for the season in many years.

Collections on open accounts were slightly better in November than in October and much better than a year ago. Amounts collected during the month averaged 45.3 per cent of amounts receivable at the close of the preceding month. This ratio compares with 44.1 per cent in October and 40.7 per cent last November. November collections on installment accounts averaged 16.7 per cent of amounts outstanding

compared to 17.3 per cent last month and 14.1 per cent last year.

**WHOLESALE:** There was a seasonal lull in wholesale trade in November as compared to October, each of the five representative lines reporting decreases in the dollar volume of sales. Wholesalers of dry goods and hardware reported their business as 1.5 and 0.4 per cent, respectively, smaller than in November, 1933, but sales of groceries were 1.5, furniture 47.2, and drugs 15.6 per cent larger. Dollar sales of the five lines combined declined 6.5 per cent for the month and increased 5.9 per cent for the year. All lines reported sales for the year to December 1 as above the totals for the first eleven months of 1933, the increases being as follows: dry goods, 10.1; groceries, 6.0; hardware, 20.5; furniture, 24.8; drugs, 29.5; and the five lines combined 16.3 per cent.

Inventories in general were reduced during the month. Month-end stocks of dry goods were 16.9, groceries 20.9, drugs 7.4, and furniture 1.5 per cent heavier than on November 30, 1933, whereas those of hardware were 2.8 per cent lighter.

Life Insurance

Sales of new paid-for ordinary life insurance were smaller in November in the states of Colorado, Kansas, Missouri, Nebraska, New Mexico, Oklahoma, and Wyoming than in October, with Kansas the only one of the seven states to report an increase over the corresponding month a year ago. Combined sales showed losses of 8.1 per cent for the month and 9.4 per cent for the year. Cumulative sales for the year to December 1 were, however, 15.1 per cent larger than in the same period last year.

The amount of such insurance written in the seven states and the United States, during the three months of comparison, as reported by the Life Insurance Research Bureau:

	Nov. 1934	Oct. 1934	Nov. 1933
Colorado.....	\$ 4,094,000	\$ 4,671,000	\$ 4,135,000
Kansas.....	4,860,000	5,036,000	4,654,000
Missouri.....	13,679,000	15,019,000	15,081,000
Nebraska.....	3,686,000	3,873,000	4,423,000
New Mexico.....	574,000	685,000	651,000
Oklahoma.....	4,751,000	5,159,000	5,263,000
Wyoming.....	609,000	653,000	629,000
Seven states.....	\$ 32,253,000	\$ 35,096,000	\$ 34,836,000
United States.....	476,291,000	494,782,000	490,771,000

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

	Stores Reporting	SALES		OUTSTANDINGS		AMOUNTS COLLECTED		STOCKS	
		Nov. 1934 compared to Nov. 1933		Nov. 30, 1934 compared to Nov. 30, 1933		Nov. 1934 compared to Nov. 1933		Nov. 30, 1934 compared to Nov. 30, 1933	
		Oct. 1934	Nov. 1933	Oct. 31, 1934	Nov. 30, 1933	Oct. 1934	Nov. 1933	Oct. 31, 1934	Nov. 30, 1933
Dry goods.....	6	-1.3	-1.5	-3.8	-9.5	-7.3	-6.5	-10.8	16.9
Groceries.....	5	-6.5	1.5	-2.6	-16.8	-8.1	0.8	-1.2	20.9
Hardware.....	9	-10.9	-0.4	-3.8	-6.2	-3.9	0.8	-2.9	-2.8
Furniture.....	5	-5.2	47.2	5.7	-7.4	-8.2	10.4	0.5	1.5
Drugs.....	7	-7.4	15.6	4.6	6.6	-3.1	5.1	-5.0	7.4

## Building

Checked by cold weather and rains and snows, building activity throughout the District was at low ebb during November. The F. W. Dodge Corporation reported the total value of construction contracts awarded amounted to \$4,958,079, of which \$668,791 was expended for residential construction. Total expenditures amounted to 47 per cent and residential construction to 25 per cent of the November average over the past eight years. Expenditures for residential construction were the smallest ever reported for the month.

The F. W. Dodge report of building activity in the District and the United States during November and the first eleven months this year and last:

	TENTH DISTRICT		UNITED STATES	
	Residential	Total	Residential	Total
November 1934.....	\$ 668,791	\$ 4,958,079	\$ 19,924,700	\$ 111,740,800
October 1934.....	2,137,498	7,539,454	26,299,800	135,524,800
November 1933.....	1,295,451	5,890,826	23,615,700	162,330,600
11 Mos. 1934.....	9,632,326	65,235,643	234,520,400	1,453,038,600
11 Mos. 1933.....	9,354,801	57,221,752	227,806,800	1,051,889,300

Building departments in seventeen reporting cities issued 379 fewer building permits in November than in the previous month but 266 more than in the corresponding month last year. Estimated expenditures increased 6 per cent for the month and were 57.3 per cent larger than in November, 1933.

### BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1934	1933	1934	1933
Albuquerque, N. M.....	62	27	\$ 21,624	\$ 19,260
Cheyenne, Wyo.....	16	11	8,815	4,121
Colorado Springs, Colo.....	31	20	16,248	24,720
Denver, Colo.....	248	227	372,823	133,253
Joplin, Mo.....	11	7	15,900	27,356
Kansas City, Kans.....	29	20	14,410	28,390
Kansas City, Mo.....	139	151	108,100	99,400
Lincoln, Nebr.....	81	69	29,537	19,777
Oklahoma City, Okla.....	126	64	323,201	313,200
Omaha, Nebr.....	70	44	50,558	44,170
Pueblo, Colo.....	33	29	11,104	11,044
Salina, Kans.....	7	5	24,040	3,775
Shawnee, Okla.....	10	8	55,505	2,900
St. Joseph, Mo.....	15	10	14,200	12,607
Topeka, Kans.....	34	28	52,125	15,685
Tulsa, Okla.....	58	42	51,010	14,650
Wichita, Kans.....	92	34	68,618	12,791
Total 17 cities, November.....	1,062	796	\$ 1,237,818	\$ 787,099
Eleven months.....	12,003	10,421	12,211,453	7,852,677

## Lumber

RETAIL: Declines of 10.8 and 16.5 per cent for the month and increases of 15.3 and 24.9 per cent over a year ago, in the sales of lumber in board feet and all materials in dollars, are disclosed by the November reports of 155 retail lumber yards in this District. Lumber stocks, which were reduced 1.1 per cent between October 1 and November 1, were 8 per cent lighter on the latter date than a year earlier.

Collections, although not quite as good in November as in October this year, were much better than in November, 1933. Collections for the month averaged 38.9 per cent of amounts outstanding October 31 as compared to the percentages of 39 per cent recorded for the previous month and 28.3 per cent for the like month a year ago.

November business is herewith compared to that of October this year and November last year in percentages of increase or decrease:

	November 1934 compared to	
	October 1934	November 1933
Sales of lumber, board feet.....	-10.8	15.3
Sales of all materials, dollars.....	-16.5	24.7
Stocks of lumber, board feet.....	- 1.1	- 8.0
Outstandings, end of month.....	- 3.8	- 8.4

Lumber production in the United States for the eleven months of the current year, as reported by the various associations to the National Lumber Manufacturers Association, was 8 per cent larger than in the same period last year but shipments were 8 per cent and orders booked 10 per cent less. Shipments so far this year have fallen 6 per cent and orders booked 5 per cent short of production.

## Grain Marketing

Arrivals of all classes of grain at the five leading markets of the District were substantially lighter in November this year than in November last year or the ten-year average for the month. Marketings of corn, which have been unusually heavy in recent months, fell off abruptly to 70 per cent of the normal volume and were the lightest since June. Most of the offerings came from Iowa on contract.

Receipts of wheat were, with one exception, April, 1925, the smallest for any month in over fifteen years of record. Only slightly more than half the usual volume of oats was offered for sale and marketings of rye, barley, and kafir were comparatively insignificant. Shipments of wheat, corn, and oats exceeded receipts and terminal elevator stocks were again reduced.

Receipts of six classes of grain at the five markets are here shown for the month of November and the first eleven months of 1934 with comparisons:

	Wheat	Corn	Oats	Rye	Barley	Kafir
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Hutchinson.....	508,950	5,000	1,500	.....	.....	15,600
Kansas City.....	1,192,000	1,434,000	216,000	1,500	9,600	25,200
Omaha.....	169,600	460,600	158,000	1,400	16,000	.....
St. Joseph.....	272,000	213,000	130,000	.....	.....	.....
Wichita.....	387,000	46,800	21,000	.....	.....	6,500
Nov. 1934.....	2,529,550	2,159,400	526,500	2,900	25,600	47,300
Oct. 1934.....	3,823,850	6,785,650	1,133,300	2,900	33,250	13,600
Nov. 1933.....	4,671,150	3,884,000	578,500	28,700	65,600	318,400
11 Mos. 1934.....	97,135,800	50,610,050	6,922,800	509,500	498,450	1,310,200
11 Mos. 1933.....	91,998,750	45,187,600	10,044,800	828,700	928,300	1,464,300

Grain prices strengthened during the month. Corn reached the highest levels since August, 1930, and oats since July, 1928. Quotations on rye, barley, and kafir were the highest in four years or longer.

## Flour Milling

Operations at flour mills in this District slowed down seasonally during November to 63.5 per cent of full-time capacity as compared to 67.3 per cent in October and 58.7 per cent in November, 1933. Flour production for the month totaled 1,961,666 barrels, or 7 per cent below the ten-year average output but 8.3 per cent above last year's volume. Production for the calendar year to December 1 amounted to 20,693,331 barrels in 1934 and 20,612,437 barrels in 1933.

The output of flour at the principal milling centers of the District as estimated from the weekly reports of southwestern mills to the Northwestern Miller:

	Nov. 1934	Oct. 1934	Nov. 1933
	Barrels	Barrels	Barrels
Atchison.....	120,956	132,721	109,445
Kansas City.....	500,821	524,259	481,313
Omaha.....	112,894	122,110	101,755
Salina.....	156,013	150,792	146,553
Wichita.....	145,501	153,826	164,207
Outside.....	925,481	1,075,571	808,306
Total.....	1,961,666	2,159,279	1,811,579
*United States.....	5,373,754	6,012,197	5,394,331

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

Flour trade was quiet throughout the month but shipping directions were somewhat freer. Old contracts are reported well cleared up and bakers' and jobbers' stocks low. The mill-

feed situation was extremely tight with demand, especially for shorts, more than ample for the limited offerings. Prices advanced sharply, bran closing \$3 and shorts about \$5.50 per ton above the opening. Millfeeds being higher, flour prices did not follow the full advance in wheat and closed unchanged to 10 cents per barrel stronger.

### Agriculture

Light to heavy snows and rains fell over practically all sections of the District during November and the first half of December. Winter wheat in eastern areas, where the acreage is unusually large owing to pasture needs, is in excellent condition with growth in occasional fields being too rank. The crop ranges from fair to good in the central, or principal producing area, and fair to poor in the western third of the wheat belt. Fields in central and eastern sections are furnishing much grazing, although recent snows and wet fields have prevented pasturing somewhat. A heavy sub-soil moisture deficiency continues particularly in the western third of the District.

All harvesting operations are virtually completed. An unusually late frost was beneficial to cotton and estimated yields were raised slightly between November 1 and December 1. Picking and ginning progressed rapidly under favorable weather conditions. Grain sorghums and late planted forage crops have turned out better than anticipated, improving the winter feed outlook. For the first time in many years there is very little or no corn being harvested for grain. Prices for this year's tobacco crop have, owing to the general poor quality resulting from the drouth, averaged somewhat lower than a year ago.

On the basis of December 1 prices the farm value of crops produced in the Tenth District during 1934 was \$494,925,000, or 13.9 per cent less than the value of the crops harvested in 1933, whereas, for the United States, crop returns as a result of higher prices were 16.2 per cent larger this year than last. Low yields accounted for the poor showing for this District, valuations of corn, grain sorghums, cotton, white potatoes, and dry beans being conspicuously small.

1934 crop yields in the seven states, whose areas or parts thereof comprise this District, and their farm value, as estimated December 1 by the Department of Agriculture, thousands omitted:

	Production			Farm Value		
	1934	1933	1932	1934	1933	1932
Winter wheat, bu.....	158,087	136,275	216,986	\$ 137,540	\$ 93,353	\$ 63,027
Spring wheat, bu.....	3,608	8,508	6,739	3,146	4,966	1,966
All wheat, bu.....	161,695	144,783	223,725	140,686	98,319	64,993
Corn, bu.....	75,176	505,895	688,283	68,088	174,381	112,361
Oats, bu.....	62,765	111,599	177,736	33,677	32,732	23,133
Rye, bu.....	1,326	2,203	3,495	1,192	1,016	708
Barley, bu.....	10,091	21,345	40,269	7,549	6,411	6,663
Grain sorghums, bu...	13,988	37,290	39,528	11,128	14,692	7,679
All tame hay, tons....	6,405	10,800	11,272	92,533	65,280	60,282
Wild hay, tons.....	1,762	3,273	4,349	22,951	14,956	16,759
Sweet sorghums, tons	1,595	2,907	2,113	15,113	10,982	6,606
Broom corn, tons.....	16	23	28	2,633	2,309	1,068
Sugar beets, short tons	2,553	4,288	3,160	.....	20,062	14,745
Cotton, bales.....	662	1,613	1,472	39,067	72,269	38,955
Cottonseed, tons.....	294	717	655	10,148	8,297	5,299
White potatoes, bu...	16,260	33,143	35,626	10,573	22,206	11,630
Sweet potatoes, bu...	1,656	2,410	3,204	1,472	1,632	1,372
Dry beans, bags.....	663	2,299	1,160	3,091	6,133	1,792
Tobacco, lbs.....	4,020	8,721	7,000	603	941	945
Apples, bu.....	5,496	7,072	5,406	5,096	5,540	3,563
Peaches, bu.....	2,558	921	1,735	2,501	1,169	1,050
Pears, bu.....	990	602	591	723	477	351
Grapes, tons.....	15	20	22	684	814	802
64 crops, 7 states.....	.....	.....	.....	494,925	574,596	390,807
Total 64 crops, U. S. ....	.....	.....	.....	4,764,507	4,100,712	2,860,645

The acreage of forty-four and the farm value of sixty-four principal crops, by states for the past three years, as estimated by the Department of Agriculture (values are in thousands of dollars, 000 omitted):

	TOTAL ACREAGE			TOTAL FARM VALUE		
	FORTY-FOUR PRINCIPAL CROPS			SIXTY-FOUR PRINCIPAL CROPS		
	1934	1933	1932	1934	1933	1932
Colo.....	3,818,000	6,042,500	5,749,500	\$ 48,927	\$ 56,567	\$ 38,252
Kans....	17,498,400	20,293,900	24,222,900	118,139	106,248	82,468
Mo.....	11,003,100	12,946,000	13,839,300	104,573	122,141	82,965
Nebr...	15,254,000	21,469,000	21,794,000	85,233	133,063	87,501
N. M....	921,300	1,454,600	1,573,200	17,971	17,239	9,874
Okla....	12,466,000	12,961,000	15,025,000	103,228	121,326	75,993
Wyo.....	1,355,000	2,030,000	2,036,000	16,854	18,012	13,754
7 States	62,315,800	77,197,000	84,239,900	\$ 494,925	\$ 574,596	\$ 390,807
U. S.....	283,584,200	324,069,700	354,670,800	4,764,507	4,100,712	2,860,645

The largest fall sown acreage of winter wheat since 1930 is indicated for the Tenth District and the United States by the December 1 survey of the Department of Agriculture. The national acreage is 5.9 per cent greater than a year ago and, due to substantial increases in the states of Missouri, Kansas, Nebraska, and Oklahoma, the District acreage is 7.5 per cent larger. Based on present conditions and past experiences, abandonment between now and harvest of about 18 per cent of the acreage seeded and comparatively low per acre yields are anticipated. The Government's long range forecast of production places the 1935 crop at about 475,000,000 bushels compared to 405,034,000 bushels harvested in 1934 and a five-year average production of 632,061,000 bushels. Rye acreage is also larger than last year, the increase for the nation being estimated at 13.3 per cent.

Fall sown acreage and December 1 condition of winter wheat:

	Fall Seeded Acreage (000 omitted)					Condition December 1		
	1934	1933	1932	1931	1930	1934	1933	1923-32
Colo.....	964	1,205	924	1,218	1,433	37	67	78
Kans.....	13,049	12,082	12,853	12,945	13,884	71	64	79
Mo.....	1,938	1,550	1,412	1,553	1,605	93	83	84
Nebr.....	3,247	3,063	2,890	3,120	3,504	79	75	86
N. M.....	361	344	400	453	466	71	60	84
Okla.....	4,685	4,338	4,419	4,407	4,615	76	75	79
Wyo.....	171	180	202	228	210	50	63	86
7 States...	24,415	22,762	23,100	23,924	25,717	73.3	69.0	80.3
U. S.....	443,306	41,850	42,669	42,283	45,240	77.8	74.3	82.4

Rental and benefit payments to farmers under cotton, wheat, and corn-hog adjustment contracts through October 31, as reported by the Department of Agriculture, amounted to \$421,697,389 for the United States and \$105,610,299 for the seven states, whose areas or parts thereof comprise this District. Kansas, preceded by Texas, ranked second, Oklahoma fourth, Nebraska fifth, and Missouri tenth in total payments to date. Payments in the seven states during October amounted to \$28,401,198 as against \$13,662,676 received in September. Final payments under the 1933-34 wheat acreage reduction contracts and the second installment of the 1934 corn-hog adjustment program are now being made.

### Live Stock

November receipts of cattle and calves, Government purchases included, at the six leading market centers of the District were the smallest since June, and, although 12.8 and 20.9 per cent larger than a year ago, were below the ten-year average for the month. Commercial supplies were the lightest for the season in many years. Swine numbers, including packers' direct purchases, as usual increased, showing a gain of 7.5 per cent over October. The supply was 4 per cent above normal and only 1.4 per cent smaller than a year ago, despite substantial

reductions during the past year in numbers on farms and spring farrowings. Due to the unfavorable feeding ratio, with corn at \$1 per bushel and finished hogs at \$6 and less per hundred-weight, offerings consisted of an over supply of lightweight and unfinished kinds.

These markets received only about one-fourth as many sheep and lambs in November as in October and two-thirds as many as in November, 1933, or normally. Marketings of horses and mules were the heaviest for the month since 1919, totaling 13,685 head in November, or 3,509 less than in October and 220 more than in November, 1933.

Severe weather conditions and the scarcity of and high prices for corn and other feeds depressed the market for low and medium grade cattle and lightweight hogs and pigs. A sharp decline in receipts benefited sheep and lamb prices toward the close of the month. Finished cattle and good to choice stockers and feeders closed strong to 25 cents per hundred-weight higher but other grades were weak to 25 cents lower. The Kansas City top of \$8.50 for long fed steers was the highest for the month since 1931, bettering last year's price by \$1.75. As the month advanced there was an ever increasing spread between lightweight hogs and those weighing 200 pounds and over. Heavies, butcher weights, and sows were up 25 cents to 40 cents per hundredweight, but other classes were 25 cents to \$1 lower, light lights and pigs suffering the greater penalties. The November top for hogs at Kansas City was \$6, or \$1.80 above a year ago and the highest for the month since 1930. In December pigs sold on the Kansas City market as low as 1 to 1½ cents per pound, or 50 cents each and at country auctions at 10 cents each. Fed and native lambs finished mostly 50 cents higher, advancing to a top of \$7 as against \$7.25 last year. Other classes of sheep were steady to 25 cents higher.

According to the Bureau of Agricultural Economics, shipments of stocker and feeder cattle into the corn belt states in November were 43 per cent below the five-year average and the smallest in sixteen years, with the movement from July to November, inclusive, the smallest on record. Shipments of feeder lambs through stock yards into the corn belt totaled 140,000 head in November compared with a five-year average of 238,000 head. Since July 1 these shipments have amounted to 1,492,000 head compared with 1,219,000 head during the like period last year and a five-year average of 1,700,000 head. Feeding operations, following feed supplies, have shifted to the corn belt states east of the Mississippi River as reports indicate that the number of cattle and lambs fed in the western states will be much smaller this season than last.

The Division of Crop and Live Stock Estimates, United States Department of Agriculture, reports the December 1 condition of western ranges and live stock as the poorest of record. Mild temperatures have favored live stock and so

far losses have been slight, but cattle and sheep are in no condition to withstand a severe winter without heavy losses. Numbers have been materially reduced through direct shipments and Government purchases. The shortage of stock water has been relieved by recent snows and rains.

Government buying of cattle has been extended to December 31, with an additional allotment sufficient to purchase approximately 1,000,000 more cattle in the acute drouth areas. Indicated allotments for the states of this District are as follows: Colorado and Wyoming, 64,000; Oklahoma and Kansas, 30,000; New Mexico, 125,000; Nebraska, 37,000; and Missouri, 16,400 head.

A decrease of 14,236,000 head or 48 per cent in the fall pig crop of 1934 from that of 1933; a decrease of 35 per cent in the 1934 pig crop, spring and fall combined, from that of 1933; and a prospective decrease of 17 per cent in the number of sows to farrow next spring from the number farrowed in the spring of 1934 is shown by the December 1 pig crop report of the United States Department of Agriculture.

### Meat Packing

Operations in the beef and mutton departments of Tenth District meat packing establishments fell off sharply from October to November but processing of pork showed a seasonal increase. Cattle slaughter was, owing to Government operations, the heaviest for the month since 1926 and that of calves established a new high. The purchases of hogs, including those shipped to packers' yards, were 9.9 per cent less than in November, 1933, but exceeded the ten-year average by 10 per cent. The slaughter of sheep and lambs was 26.8 per cent smaller than a year ago, 23 per cent below normal, and with two exceptions, November, 1924, and November, 1920, the lightest for any month in over fifteen years of record.

Including cattle and calves slaughtered for Government account, the November slaughter of cattle under Federal meat inspection was the largest for the month since 1918 and that of calves established a record for November. Cattle slaughter was the smallest since July and calf slaughter the smallest since February. The slaughter of sheep and lambs declined seasonally from October to November but hog numbers increased. Compared to November, 1933, the slaughter of cattle increased 58 per cent, calves 16 per cent, and sheep 1 per cent, whereas that of hogs declined 10 per cent.

Live stock slaughtered under Federal meat inspection:

	Cattle	Calves	Hogs	Sheep
November 1934.....	1,232,000	495,000	4,023,000	1,368,000
October 1934.....	1,408,000	658,000	3,546,000	2,609,000
November 1933.....	777,000	434,000	4,501,000	1,356,000
Eleven months 1934.....	12,075,000	6,894,000	39,390,000	16,003,000
Eleven months 1933.....	7,935,000	4,505,000	42,696,000	15,963,000

NOTE: The slaughter of cattle and calves for Government account is included in the totals for 1934 and of hogs for 1933.

### NOVEMBER MOVEMENT OF LIVE STOCK 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.....	158,940	37,870	*259,550	82,532	32,351	5,382	7,936	19,160	96,348	36,116	*238,040	64,291
Omaha.....	124,369	20,745	259,671	84,781	27,144	4,508	1,456	16,022	74,222	16,019	191,349	67,081
St. Joseph.....	39,282	8,653	136,629	46,295	4,865	789	2,825	4,828	32,052	8,067	131,246	39,950
Denver.....	72,873	11,905	58,538	125,753	36,508	3,386	667	69,049	20,035	5,697	36,419	16,517
Oklahoma City.....	47,352	8,253	23,025	6,683	.....	.....	.....	.....	34,269	5,984	19,616	4,461
Wichita.....	20,061	14,036	26,624	18,718	.....	.....	.....	.....	8,992	3,599	24,237	3,740
November 1934.....	462,877	101,462	764,037	364,762	100,868	14,065	12,884	109,059	265,918	75,482	640,907	196,040
October 1934.....	713,512	183,217	710,988	1,411,877	156,164	30,304	16,001	472,846	322,905	136,165	595,237	599,541
November 1933.....	410,175	83,914	775,160	548,907	151,058	37,806	3,507	238,834	197,640	42,137	711,496	267,958
11 Months 1934.....	6,129,511	1,330,891	8,307,992	7,944,818	1,171,071	150,513	120,366	1,426,893	3,225,299	968,189	7,048,332	3,845,771
11 Months 1933.....	3,793,202	620,994	10,217,433	7,651,692	886,635	170,227	91,226	1,378,178	2,102,061	386,952	9,144,816	3,722,051

\*Includes 151,052 hogs shipped direct to packers' yards.

### Cold Storage Holdings

Effects of the unprecedented drouth liquidations are reflected in part in the December 1 report of United States cold storage holdings issued by the Department of Agriculture. Accumulations of beef, pork, lamb and mutton, and miscellaneous meats were exceptionally heavy during November and the into-storage movement of poultry was also larger than a year ago or normally. Holdings of lard, eggs, butter, and cheese declined during the month. Withdrawals of lard were considerably lighter and of butter somewhat heavier than in November, 1933, or the five-year average. Eggs met a lagging consumers' demand and, although fresh supplies were light, withdrawals from storage did not hold up to seasonal expectations.

December 1 holdings of all commodities except lard, eggs, and butter were heavier than a year ago. Holdings of only two commodities, eggs and butter, were below the five-year average for the season, the increases, which exclude meats held for Government account, being as follows: beef, 101.3; pork, 27.7; lamb and mutton, 33.1; poultry, 13.3; miscellaneous meats, 96.7; lard, 85.2; and cheese, 23.9 per cent.

United States cold storage holdings as of December 1:

	*Dec. 1 1934	Nov. 1 1934	Dec. 1 1933	Dec. 1 5-Yr. Av.
Beef, lbs.....	127,648	108,399	70,010	63,406
Pork, lbs.....	569,664	504,737	529,454	446,251
Lamb and mutton, lbs.....	4,686	3,074	2,888	3,520
Poultry, lbs.....	105,649	73,401	91,211	93,276
**Turkeys, lbs.....	9,572	1,763	6,500	6,914
Miscellaneous meats, lbs.....	113,450	106,670	54,243	57,676
Lard, lbs.....	103,968	105,519	116,077	56,153
Eggs, cases.....	2,380	4,633	2,641	2,814
Eggs, frozen (case equivalent).....	2,174	2,535	2,067	2,139
Butter, creamery, lbs.....	81,023	111,073	138,166	83,455
Cheese, all varieties, lbs.....	109,365	118,008	99,009	88,258

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

NOTE: Meats held for the account of the Federal Emergency Relief Administration are not included in the above.

### Petroleum

For the first time since crude oil production was placed on a quota basis set by the Federal Oil Administration, production in this District fell below Federal allowables in November. The flow, as estimated from the weekly reports of the American Petroleum Institute, averaged 665,000 barrels per day during the month, or 2,500 barrels per day under allowables and 22,000 and 33,000 barrels per day, respectively, below the estimates of the Bureau of Mines for October this year or November last year. Gross production declined 6.3 per cent as compared to October and 4.5 per cent as compared to a year ago.

Effective December 1, Federal allowables were reduced in Oklahoma, Kansas, Wyoming, and New Mexico and unchanged in Colorado. The reductions for the District amounted to 10,500 barrels per day and for the United States to 33,300 barrels per day.

The gross production figures for November are shown in the following with comparisons:

	*Nov. 1934 Barrels	Oct. 1934 Barrels	Nov. 1933 Barrels
Oklahoma.....	13,707,000	14,571,000	15,020,000
Kansas.....	3,696,000	3,987,000	3,648,000
Wyoming.....	1,069,000	1,161,000	884,000
Colorado.....	96,000	103,000	79,000
New Mexico.....	1,381,000	1,457,000	1,268,000
Total five states.....	19,949,000	21,279,000	20,899,000
Total United States.....	71,175,000	76,776,000	69,755,000

The underlying structure of the crude oil market improved somewhat and quotations in the mid-continent area remained

unchanged at schedules, ranging from 76 cents to \$1.08 per barrel per gravity basis, posted September 29, 1933.

Prices of refined products strengthened the forepart of the month as the production and shipments of "hot" oil and "hot" oil products declined. Gasoline was weak at the close but naturals and heating oils were strong.

### Bituminous Coal

According to estimates, based on the weekly reports of the United States Bureau of Mines, soft coal production at mines in six coal producing states of the Tenth District during November totaled 1,840,000 tons, 176,000 tons less than in October but 90,000 tons more than in November, 1933. Output for the year to December 1 amounted to 15,230,000 tons this year and 14,860,000 tons last year.

Tonnage figures for the six states and the United States:

	*Nov. 1934 Tons	Oct. 1934 Tons	Nov. 1933 Tons
Colorado.....	602,000	630,000	546,000
Kansas and Missouri.....	530,000	563,000	515,000
New Mexico.....	106,000	115,000	113,000
Oklahoma.....	144,000	178,000	141,000
Wyoming.....	458,000	530,000	435,000
Total six states.....	1,840,000	2,016,000	1,750,000
Total United States.....	30,298,000	32,573,000	30,582,000

\*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 during the four weeks' period ended December 1, were somewhat larger than in either the preceding four weeks' period ended November 3 this year or the corresponding four weeks' period ended December 2 last year. A majority of the mills were closed one week and several were shut down a greater part of the month. Cold weather late in the month slowed up production.

Ore values were lower than a year ago. Lead ore prices slumped \$4 per ton during the month and for one week zinc ore was down \$2 per ton but half of this loss was recovered the second week of the month. Closing prices this year and last were, lead ore \$32 and \$45 per ton and zinc ore \$25 and \$30 per ton.

The tonnage and value of zinc ore and lead ore shipped from mines in Oklahoma, Missouri, and Kansas:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	18,862	\$ 468,431	1,786	\$ 60,326
Kansas.....	4,273	106,207	249	8,592
Missouri.....	1,222	30,275	102	3,431
4 Wks. ended Dec. 1, 1934.....	24,357	\$ 604,913	2,137	\$ 72,349
4 Wks. ended Nov. 3, 1934.....	21,789	557,042	1,055	36,946
4 Wks. ended Dec. 2, 1933.....	16,207	486,210	2,110	105,500

### Cement

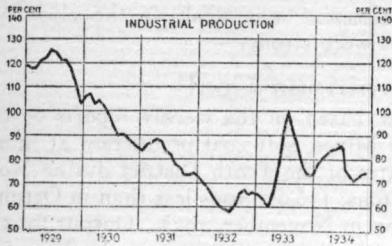
Production of Portland cement at mills in the Tenth District in November, 1934, showed an increase of 37.7 per cent over October this year and of 52.7 per cent over November last year. As shipments receded for the month, stocks on hand November 30 were 9.4 per cent larger than one month earlier and 4.5 per cent larger than on the corresponding date last year.

Production, shipments, and stocks of finished Portland cement at mills in this District as reported by the United States Bureau of Mines:

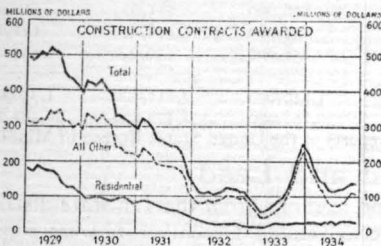
	TENTH DISTRICT			UNITED STATES		
	Production	Shipments	Stocks	Production	Shipments	Stocks
Nov. 1934.....	774	590	2,137	5,779	5,664	20,086
Oct. 1934.....	562	765	1,953	6,675	8,439	19,972
Nov. 1933.....	507	482	2,044	4,672	4,463	19,709
11 Mos. 1934.....	7,392	7,221	.....	73,235	72,803	.....
11 Mos. 1933.....	5,666	5,922	.....	59,847	60,348	.....

## Business Conditions in the United States

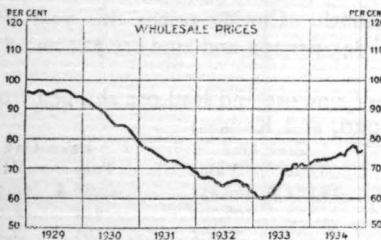
By the Federal Reserve Board



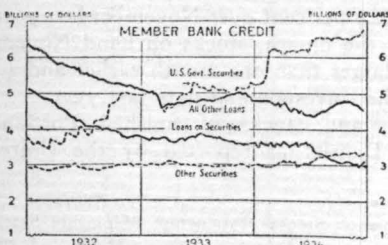
Index number of industrial production, adjusted for seasonal variation. Latest figure: November, 74.



Three month moving averages of F. W. Dodge data for 37 eastern states, adjusted for seasonal variation. Latest figure based on data for September and October and estimate for November: total, 125.7; residential, 21.9; all other, 103.8.



Index of United States Bureau of Labor Statistics. (1926=100.) By months, 1929 to 1931; by weeks, 1932 to date. Latest figure is for week ending December 15.



Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for December 12.

In November the rate of industrial activity showed little change and the general level of commodity prices remained unchanged. Distribution of commodities to consumers was well maintained.

**PRODUCTION AND EMPLOYMENT:** Volume of industrial production declined in November by an amount somewhat smaller than is usual at this season and consequently the Board's seasonally adjusted index advanced from 73 per cent of the 1923-1925 average in October to 74 per cent in November. In the steel industry output continued to increase during November and the first three weeks of December, contrary to the usual seasonal tendency. Automobile production also showed an increase in the early part of December, following a decline in connection with preparations for new models. In November lumber output decreased by more than the estimated seasonal amount. At woolen mills there was a considerable increase in output, while consumption of cotton by domestic mills showed a slight decline. Activity at meat packing establishments showed less than the usual seasonal increase. Production of the leading minerals was at about the same level as in October.

Factory employment declined between the middle of October and the middle of November by the usual seasonal amount and was at the same level as a year ago. Declines reported for the automobile, shoe, and canning industries were smaller than seasonal, while decreases at railroad repair shops and sawmills were larger than are usual at this season. At meat packing establishments, where employment has been at a high level in recent months, there was a considerable decline but the number on the pay rolls in November was larger than in the corresponding month of other recent years. Employment at woolen mills showed a substantial increase. The number employed on construction projects of the Public Works Administration declined further in November, according to the Bureau of Labor Statistics.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a considerable decline in November and the first half of December, following an increase in October. The indicated decline in awards from the third to the fourth quarter was somewhat smaller than usual.

Department of Agriculture estimates for December 1 indicate that production of principal crops this season was about 22 per cent smaller than in 1933 and 32 per cent below the average for the previous ten years, reflecting reductions in acreage and in yield per acre. There has been a shortage in feed crops accompanied by a sharp increase for the year in the slaughter of live stock. Although output of agricultural commodities has been smaller than in any other recent year, farm income has been larger than in either 1932 or 1933, reflecting chiefly higher prices, and, to a smaller degree, benefit payments.

**DISTRIBUTION:** Total freight carloadings declined in November by less than the estimated seasonal amount, reflecting chiefly a smaller decline than is usual in shipments of miscellaneous freight. Retail sales generally have been well maintained. Department store sales increased by slightly less than the estimated seasonal amount in November; preliminary reports for the first half of December, however, indicate a more than seasonal increase in Christmas trade.

**COMMODITY PRICES:** Wholesale commodity prices generally showed little change during November and the first half of December. Prices of scrap steel continued to increase during this period, while corn prices, which advanced rapidly in November, declined somewhat after the first week of December. Retail food prices declined in November, reflecting lower prices for meat.

**BANK CREDIT:** Developments at Federal reserve banks in December reflected largely the seasonal increase in the demand for currency and the continued inflow of gold from abroad.

Loans and investments of reporting member banks in leading cities showed an increase of \$150,000,000 in the four weeks ended December 12, after declining somewhat in the preceding four weeks. The growth reflected increases in holdings of United States Government obligations and in brokers' loans. Deposits at banks showed a further considerable growth.

Yields on short-term Government securities declined slightly in December, while other short-term open-market money rates showed little change. On December 15 the discount rate of the Federal Reserve Bank of Atlanta was reduced from 3 per cent to 2½ per cent and on December 21 a similar reduction was made at the Kansas City Federal Reserve Bank.