

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., MARCH 1, 1935

No. 3

BUSINESS activity in this District was well maintained during the initial month of the new year. Bank debits to individual accounts in twenty-nine leading cities, although slightly smaller than in December, exceeded the January, 1934, volume by 14.1 per cent. Retail trade, as reflected by department store sales, declined about as usual from December to January but was 7.6 per cent larger than a year ago and the best for the month since 1931. Wholesale distribution, which was non-seasonally larger in January than in the preceding month, fell 6.6 per cent below the corresponding month last year. Business mortality was lower than in any January since 1920, both in the number of failures and the amount of liabilities involved.

Building activity improved and, other than residential construction, was above a year ago although remaining substantially below normal. In production lines, the output of flour, crude oil, bituminous coal, zinc ore, and lead ore was somewhat larger in January than in either the preceding month or the corresponding month last year, but cement production was smaller. Operations at meat packing establishments, reflecting the light supplies of live stock at public markets, declined rather sharply, contrary to seasonal tendencies, and were under January, 1934, the slaughter of hogs being conspicuously small. Marketings of all classes of grain were light.

Agriculture, favored by mild, open weather which permitted the conservation of short feed supplies, was encouraged by rising prices for farm products. Cattle prices advanced sharply and hogs, sheep, cotton, butterfat, eggs, and poultry were higher. Grains, hay, and forage feeds, of which the District is short, closed steady to slightly lower. The Department of Agriculture's index of prices for all farm commodity groups moved up from 101 to 107 per cent of the 1909 to 1914 average and the ratio of prices paid by farmers to prices received by them advanced 5 points to 85 per cent of pre-war.

Member Bank Operations

Deposits of fifty-two selected member banks in the Tenth Federal Reserve District increased between January 16 and February 13. Net demand deposits were up 1.2 per cent for the four weeks' period and on February 13 this year were 20.5 per cent larger than on February 14, 1934, and higher than for any weekly reporting date since November 12, 1930. Time deposits, which showed a gain of 1.4 per cent in four weeks, were only 0.8 per cent above a year ago.

Borrowings from these banks declined 1.2 per cent in four weeks, loans secured by stocks and bonds falling off 2.5 per cent, and "all other" loans showing a loss of 0.8 per cent. Total loans and discounts are now 3.2 per cent less than on February 14, 1934, and the lowest in recent years. A shrinkage of 14.6 per cent in loans secured by stocks and bonds ac-

BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT
Percentages of Increase, or Decrease (—), for January 1935 over December 1934 and January 1934.

	January 1935 compared to	
	Dec. 1934	Jan. 1934
Banking		
Payments by check, 29 cities.....	— 1.2	14.1
Federal Reserve Bank clearings.....	Even	8.9
Business failures, number.....	—27.5	—22.9
Business failures, liabilities.....	—68.5	—41.1
Loans, 52 member banks.....	— 1.2	— 3.2
Investments, 52 member banks.....	1.1	10.3
Net demand deposits, 52 member banks.....	1.2	20.5
Time deposits, 52 member banks.....	1.4	0.8
Savings deposits, 46 selected banks.....	0.7	12.3
Savings accounts, 46 selected banks.....	0.5	4.6
Distribution		
Wholesalers' sales, 5 lines combined.....	2.8	— 6.6
Retailers' sales, 32 department stores.....	—54.9	7.6
Lumber sales, 155 retail yards.....	6.4	—23.5
Life insurance, written.....	— 2.0	13.5
Construction		
Building contracts awarded, value.....	56.8	8.9
Residential contracts awarded, value.....	36.6	—57.9
Building permits in 17 cities, value.....	17.5	9.3
Production		
Flour.....	7.8	2.6
Crude petroleum.....	2.7	4.4
Soft coal.....	8.4	25.0
Zinc ore (shipped) Tri-State district.....	— 8.6	31.2
Lead ore (shipped) Tri-State district.....	7.3	173.5
Cement.....	—35.1	—16.2
Grain receipts, 5 markets		
Wheat.....	—28.6	—44.2
Corn.....	—23.4	—61.0
Oats.....	—17.3	35.9
Live stock receipts, 6 markets		
Cattle.....	11.8	7.6
Calves.....	1.7	44.9
Hogs.....	—33.5	—57.1
Sheep.....	64.7	—20.7
Horses and mules.....	39.3	— 2.4
Meat packing, 6 markets		
Cattle.....	—14.3	— 6.0
Calves.....	—10.3	51.8
Hogs.....	—29.1	—58.2
Sheep.....	45.0	—31.0

counted for the decline in total loans for the year as "all other" loans increased 1.9 per cent.

Total investment holdings of the fifty-two banks, which reached an all-time peak of \$391,410,000 on December 19, 1934, have been reduced to \$375,741,000 as of February 13, 1935. Present investment holdings, representing increases for the year of \$9,419,000 in investments in United States Government securities and \$25,622,000 in other bonds, stocks, and securities, are 10.3 per cent larger than at this time last year.

A summary of the principal assets and liabilities of these weekly reporting member banks, as of the three reporting dates, indicate the changes in five weeks and fifty-two weeks:

	Feb. 13, 1935	Jan. 16, 1935	Feb. 14, 1934
Loans and investments—total.....	\$568,580,000	\$566,912,000	\$539,849,000
Loans and discounts—total.....	192,839,000	195,244,000	199,149,000
Secured by stocks and bonds	52,022,000	53,335,000	60,929,000
All other loans and discounts	140,817,000	141,909,000	138,220,000
Investments—total.....	375,741,000	371,668,000	340,700,000
U. S. securities.....	241,230,000	241,093,000	231,811,000
Other bonds, stks., and sec....	134,511,000	130,575,000	108,889,000
Reserve with F. R. bank.....	106,494,000	107,305,000	74,881,000
Net demand deposits.....	486,682,000	480,780,000	403,896,000
Time deposits.....	164,659,000	162,459,000	163,285,000
Government deposits.....	21,682,000	26,009,000	21,175,000

Federal Reserve Bank Operations

Changes in the principal resource and liability items contained in the weekly condition statement of the Federal Reserve Bank of Kansas City and branches, during the four weeks' period ended February 13, were of minor importance. Holdings of bills rediscounted for member banks, which are at record low levels, declined slightly and holdings of bills purchased in the open market and of United States Government securities were unchanged. Industrial loans advanced \$201,505 to \$635,349. Member banks' reserve deposits were up \$417,785 and Federal reserve note circulation expanded \$1,346,500.

Since February 14, 1934, member banks' reserve deposits have increased 37.2 per cent, Federal reserve note circulation 7.5 per cent, purchases of United States Government securities 10.1 per cent, total holdings of bills and securities 6.7 per cent, and total reserves 21.9 per cent.

Principal resource and liability items of this bank and branches as shown by the weekly condition statements:

	Feb. 13, 1935	Jan. 16, 1935	Feb. 14, 1934
Total reserves.....	\$207,535,798	\$208,369,001	\$170,248,181
Bills discounted.....	95,163	102,602	657,160
Bills purchased.....	148,545	148,513	2,792,910
Industrial advances.....	635,349	433,844	.....
U. S. securities.....	91,844,250	91,844,250	83,444,200
Total bills and securities.....	92,723,307	92,529,209	86,894,270
Total resources.....	331,237,543	332,926,846	292,020,540
F. R. notes in circulation.....	115,396,475	114,049,975	107,325,585
F. R. B. notes in cir.—net.....	.....	.....	9,433,850
Member banks' reserve deposits	177,720,883	177,303,098	129,549,933

The discount rate of the Federal Reserve Bank of Kansas City, on all classes of paper and maturities, remains unchanged at 2½ per cent.

Savings

Forty-six selected banks in leading cities of this District reported 402,398 savings accounts with deposits aggregating \$118,831,390 on February 1, 1935. These totals reflect increases since January 1 of 0.5 per cent in the number of depositors and 0.7 per cent in the amount of deposits and since February 1, 1934, of 4.6 per cent in depositors and 12.3 per cent in deposits.

Commercial Failures

January business insolvencies in the United States and the Tenth Federal Reserve District were smaller than in any January since 1920 both as to the number of failures and the amount of liabilities involved. Failures throughout the nation were more numerous and in the District less numerous than in December, and liabilities were smaller for both.

Business failures in the Tenth District and the United States as reported by Dun and Bradstreet, Incorporated:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
January 1935.....	37	\$237,590	1,184	\$18,823,697
December 1934.....	51	755,321	963	19,910,610
January 1934.....	48	403,280	1,364	32,905,428

Bank Debits

Debits by banks to individual accounts in twenty-six of the twenty-nine reporting cities of the District, for the four weeks' period ended January 30, were larger than in the like period last year. The increase for the twenty-nine cities averaged 14.1 per cent as against an increase of 12.5 per cent reported for 267 cities in the United States. Compared to the preceding four weeks ended January 2, the volume of check payments in the District declined 1.2 per cent.

PAYMENTS BY CHECK

	FOUR WEEKS ENDED		Per cent Change
	Jan. 30, 1935	Jan. 31, 1934	
Albuquerque, N. M.....	\$ 8,267,000	\$ 7,118,000	16.1
Atchison, Kans.....	2,778,000	2,458,000	13.0
Bartlesville, Okla.....	21,420,000	20,009,000	7.1
Casper, Wyo.....	4,496,000	3,164,000	42.1
Cheyenne, Wyo.....	5,671,000	4,541,000	24.9
Colorado Springs, Colo.....	9,855,000	10,143,000	— 2.8
Denver, Colo.....	115,623,000	95,988,000	20.5
Enid, Okla.....	7,165,000	6,344,000	12.9
Fremont, Nebr.....	2,119,000	1,954,000	8.4
Grand Junction, Colo.....	1,936,000	1,567,000	23.5
Guthrie, Okla.....	1,681,000	1,226,000	37.1
Hutchinson, Kans.....	11,106,000	7,079,000	56.9
Independence, Kans.....	2,039,000	5,049,000	—59.6
Joplin, Mo.....	6,982,000	6,351,000	9.9
Kansas City, Kans.....	11,397,000	10,389,000	9.7
Lansing City, Mo.....	236,357,000	214,999,000	9.9
Kawrence, Kans.....	2,520,000	2,591,000	— 2.7
Lincoln, Nebr.....	23,785,000	19,571,000	21.5
Muskogee, Okla.....	6,602,000	5,961,000	10.8
Oklahoma City, Okla.....	68,096,000	59,947,000	13.6
Okmulgee, Okla.....	2,060,000	1,924,000	7.1
Omaha, Nebr.....	111,600,000	98,732,000	13.0
Pittsburg, Kans.....	3,230,000	3,043,000	6.1
Pueblo, Colo.....	12,020,000	11,857,000	1.4
Salina, Kans.....	6,798,000	6,129,000	10.9
St. Joseph, Mo.....	24,973,000	23,955,000	4.2
Topeka, Kans.....	14,716,000	11,329,000	29.9
Tulsa, Okla.....	88,860,000	74,311,000	19.6
Wichita, Kans.....	37,787,000	29,062,000	30.0
Total 29 cities.....	\$ 851,939,000	\$ 746,791,000	14.1
Total United States.....	29,392,349,000	26,130,318,000	12.5

Reserve Bank Clearings

Transit forces of this bank and branches handled a slightly smaller number of items for collection in January than in the preceding month but the dollar volume was virtually the same. Collections, although showing a decrease of 9.6 per cent in the number of items handled, were 8.9 per cent larger than a year ago in amount.

Clearings through the Federal Reserve Bank of Kansas City and branches at Omaha, Denver, and Oklahoma City during the three months of comparison:

	ITEMS	AMOUNT
January 1935.....	5,278,414	\$799,176,000
December 1934.....	5,494,616	799,095,000
January 1934.....	5,841,067	733,545,000

Trade

Tenth District wholesale trade improved and retail trade declined seasonally in January, and sales of the former were below and of the latter above January a year ago. The dollar volume of sales of five representative wholesale lines combined, dry goods, groceries, hardware, furniture, and drugs, as reported to this bank were 2.8 per cent larger in January, 1935, than in December but 6.6 per cent smaller than in January, 1934. All lines but furniture and hardware reported increased sales for the month with groceries the only line to report a slight improvement over January last year. Inventories of dry goods, hardware, and drugs were enlarged during the month.

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

	Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER		ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED	
		Jan. 1935 compared to		Jan. 31, 1935 compared to		January		Jan. 31, 1935 compared to		Jan. 1935 compared to	
		Jan. 1934	Dec. 31, 1934	Jan. 31, 1934	Jan. 31, 1934	1935	1934	Dec. 31, 1934	Jan. 31, 1934	Dec. 1934	Jan. 1934
Kansas City.....	4	11.4	5.1	-12.3	.24	.18	-21.2	6.1	28.5	11.6	
Denver.....	4	13.5	2.8	4.9	.28	.25	-16.5	11.5	5.9	14.3	
Oklahoma City.....	3	3.4	-3.1	7.9	.33	.33	-3.9	10.6	27.9	17.3	
Tulsa.....	3	-0.4	-7.0	-2.8	.32	.33	-27.4	7.4	33.9	18.0	
Wichita.....	3	17.6	-7.5	10.0	.25	.23	-16.3	12.6	30.6	24.4	
Other cities.....	15	0.6	-8.3	3.0	.22	.22	-15.3	2.0	14.0	10.6	
Total.....	32	7.6	-1.1	-0.8	.26	.23	-16.0	7.8	18.1	14.2	

NOTE: Percentage of collections in January on open accounts December 31, all stores reporting 46.3. Collections same month last year 43.7.

Month-end stocks of dry goods, groceries, and drugs were somewhat larger on January 31 this year than on the like date last year.

Sales of thirty-two department stores, located in Tenth District cities, were 7.6 per cent higher in dollar volume for January, 1935, than for January, 1934, and the largest for the month since 1931. January sales decreased 54.9 per cent from December, or about the usual seasonal amount.

Stocks of merchandise on hand January 31 were slightly smaller than one month or one year earlier, with the index the lowest for the season in many years. Collections on open accounts for the month averaged 46.3 per cent of amounts receivable at the close of December as compared to collection percentages of 47.6 in December and 43.7 per cent in January last year. Collections on installment accounts averaged 15.2 per cent in January, 16.2 per cent in December, and 15.5 per cent in January, 1934.

Lumber

RETAIL: Reports covering 155 retail lumber yards, located in cities and towns of the Tenth District, reflect increases for January over December of 6.4 per cent in sales of lumber in board feet and of 13 per cent in the dollar volume of sales of all materials. Lumber sales dropped off sharply as compared to January, 1934, declining 23.5 per cent, but gross sales of all materials were up 2.4 per cent.

Lumber stocks were 0.7 per cent larger on January 31 than at the beginning of the year but 7.5 per cent smaller than on January 31, 1934. Collections improved in January, the percentage of 40.4 per cent of amounts outstanding at the close of the preceding month being the highest reported in a long time. This ratio compares with collection percentages of 35.5 in December and 33.8 in January, 1934.

January retail lumber trade is herewith compared to that of December and January, 1934, in percentages of increase or decrease:

	January 1935 compared to	January 1934
Sales of lumber, board feet.....	6.4	-23.5
Sales of all materials, dollars.....	13.0	2.4
Stocks of lumber, board feet.....	0.7	-7.5
Outstandings, end of month.....	-3.8	-12.4

Building

Building activity in the Tenth District, as reflected by the number and value of permits issued in seventeen cities and as shown by the reports of the F. W. Dodge Corporation of construction contracts awarded throughout the District, was substantially greater in January than in the preceding month and somewhat improved over January, 1934.

Residential construction continues to lag, the F. W. Dodge Corporation reports showing the value of this class of building as 57.9 per cent less in January this year than in January last year, whereas the total value of all construction contracts awarded in the District was 8.9 per cent greater.

The value of construction contracts awarded in the District, as reported by the F. W. Dodge Corporation:

	RESIDENTIAL		TOTAL AWARDS	
	Tenth District	United States	Tenth District	United States
January 1935....	\$ 520,425	\$22,410,200	\$8,559,539	\$ 99,773,900
December 1934	380,998	14,550,500	5,458,156	92,723,700
January 1934....	1,235,714	15,110,400	7,857,569	187,463,700

A total of 800 permits was issued in the seventeen cities, largely for small amounts representing repairs and improvements and minor new construction projects. Estimated construction costs totaled \$911,232, which was 17.5 per cent above the expenditures estimated for December and 9.3 per cent above those of January last year.

BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1935	1934	1935	1934
Albuquerque, N. M.....	56	28	\$ 43,247	\$ 8,567
Cheyenne, Wyo.....	20	15	14,862	7,362
Colorado Springs, Colo.....	21	7	8,980	2,715
Denver, Colo.....	159	166	169,145	81,085
Joplin, Mo.....	4	7	4,150	2,200
Kansas City, Kans.....	11	11	14,200	21,325
Kansas City, Mo.....	130	114	261,000	66,300
Lincoln, Nebr.....	29	34	19,629	28,492
Oklahoma City, Okla.....	86	63	94,315	357,000
Omaha, Nebr.....	37	19	156,070	29,725
Pueblo, Colo.....	42	26	16,873	6,759
Salina, Kans.....	8	2	5,510	2,000
Shawnee, Okla.....	15	11	10,788	4,225
St. Joseph, Mo.....	8	12	11,465	39,990
Topeka, Kans.....	16	24	4,375	16,320
Tulsa, Okla.....	54	49	46,765	133,577
Wichita, Kans.....	104	24	29,949	26,245
Total 17 cities, January.....	800	612	\$911,323	\$833,887

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

	Stores Reporting	SALES		OUTSTANDINGS		AMOUNTS COLLECTED		STOCKS	
		Jan. 1935 compared to		Jan. 31, 1935 compared to		Jan. 1935 compared to		Jan. 31, 1935 compared to	
		Dec. 1934	Jan. 1934	Dec. 31, 1934	Jan. 31, 1934	Dec. 1934	Jan. 1934	Dec. 31, 1934	Jan. 31, 1934
Dry goods.....	6	13.5	-7.5	-2.1	-5.0	-33.4	-13.5	12.7	4.2
Groceries.....	5	13.3	0.4	1.8	-15.7	-7.1	-2.0	-3.5	18.6
Hardware.....	8	-16.3	-3.8	-1.9	-9.4	-22.3	-0.1	3.2	-8.1
Furniture.....	5	-8.5	-4.1	4.4	-11.7	-25.5	5.4	-0.2	Even
Drugs.....	7	2.8	-6.4	3.5	-6.0	-12.8	1.8	10.4	11.5

Flour Milling

Operating at 60.8 per cent of full-time capacity, or at a slightly higher rate than in either December or January last year, Tenth District mills produced 1,949,405 barrels of flour in January. Output, although a little short of normal for the season, was 7.8 per cent above the December volume and 2.6 per cent larger than in January, 1934.

Demand was light the forepart of the month but improved greatly toward the close as bakers and jobbers became attracted by lower prices or were forced into the market by their immediate needs. Volume was made up largely of widely scattered sales of small lots for quick shipment but a few round and large lot orders were placed. Inquiry from all classes of trade and sections of the District was active throughout the month but actual buying did not follow, much of the hesitancy being attributed to uncertainty of the effects of a Supreme Court decision in the gold clause cases. Prices worked lower but, as clears were very weak and millfeeds much cheaper, reductions did not follow the full decline in wheat. Export trade improved with lower prices. Unfilled orders on millers' books are reported extremely low at present.

Flour production, for the principal centers of the District, as estimated from the weekly reports of the southwestern mills to the Northwestern Miller:

	Jan. 1935 Barrels	Dec. 1934 Barrels	Jan. 1934 Barrels
Atchison.....	112,319	103,944	126,048
Kansas City.....	519,437	457,750	523,417
Omaha.....	105,387	103,770	105,644
Salina.....	158,397	137,490	152,224
Wichita.....	161,332	173,474	168,034
Outside.....	892,533	831,923	825,443
Total.....	1,949,405	1,808,351	1,900,810
*United States.....	5,271,927	4,945,331	5,649,844

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

Grain Marketing

Short and diminishing supplies of all grains were reflected by January receipts at the five principal markets of the District. These markets received only about one-fourth the normal amount of wheat and corn, half as much oats, and less than 10 per cent of the usual volume of rye, barley, and kafir in January.

Receipts of wheat and barley at these markets were the smallest for any month in sixteen years of record. Marketings of rye and kafir were the lightest for any January of record as were also those of corn, January, 1932, excepted, and oats, January, 1934, excepted.

Most of the wheat and corn received was under contract on arrival, the latter coming from Iowa. Supplies fell short of requirements and elevator stocks were again reduced sharply. Stocks of wheat in interior mills, country elevators, and warehouses in the United States on January 1, 1935, were estimated by the Bureau of Agricultural Economics at 93,485,000 bushels; on July 1, 1934, they were 51,060,000 bushels; April 1, 1934, 83,588,000 bushels; and on April 1, 1933, 95,911,000 bushels.

Receipts of six classes of grain at the five markets are shown in the following table:

	Wheat Bushels	Corn Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Kafir Bushels
Hutchinson.....	604,800	1,250	1,500	.....	.....	9,100
Kansas City.....	788,800	1,182,000	148,000	4,500	3,200	37,800
Omaha.....	101,214	281,559	94,000	1,400	1,600	.....
St. Joseph.....	374,400	216,000	388,000	.....	.....	.....
Wichita.....	447,000	9,100	28,500	.....	.....	3,900
January 1935.....	2,316,214	1,689,909	660,000	5,900	4,800	50,800
December 1934.....	3,244,303	2,205,150	798,500	4,500	33,600	65,300
January 1934.....	4,154,600	4,337,700	485,500	125,000	55,050	198,300

Notwithstanding light receipts, prices receded, wheat and corn closing off $4\frac{1}{2}$, oats $2\frac{1}{2}$, rye 5, and barley 4 cents per bushel. Prices were affected somewhat by importations.

Cash grain prices at Kansas City on the dates indicated:

	Feb. 14 1935	Jan. 31 1935	Dec. 31 1934	Feb. 14 1934	Jan. 31 1934	Dec. 30 1933
No. 1 dark wheat, bu.....	\$.98	\$.97	\$1.01 $\frac{1}{4}$	\$.84 $\frac{1}{2}$	\$.86 $\frac{1}{2}$	\$.80
No. 2 mixed corn, bu.....	.91 $\frac{1}{2}$	.90 $\frac{3}{4}$	.95	.44 $\frac{3}{4}$	.44 $\frac{1}{2}$	.43 $\frac{1}{2}$
No. 2 white oats, bu.....	.59 $\frac{1}{2}$	.57	.59 $\frac{1}{2}$	.36 $\frac{1}{4}$	.37 $\frac{3}{4}$	.36 $\frac{1}{2}$
No. 2 rye, bu.....	.79	.82	.87	.60	.63 $\frac{1}{2}$	.55
No. 2 barley, bu.....	.89	.86	.90	.44	.45 $\frac{1}{2}$	.43
No. 2 kafir, cwt.....	2.11	2.03	2.06	.75	.77	.73

Petroleum

Gross production of crude oil in this District during January, as estimated from the weekly reports of the American Petroleum Institute, totaled 21,861,000 barrels, or 580,000 and 921,000 barrels, respectively, more than officially estimated by the Bureau of Mines for December and January, 1934.

January production averaged 706,000 barrels per day, or 9,400 barrels below Federal allowables put in effect December 17. Federal allowables, which have been increased steadily in recent months, were again advanced as of February 1, the District quota being stepped up from 715,400 barrels per day to 724,100 barrels and the national quota from a daily average of 2,460,300 barrels to 2,526,100 barrels.

Gross production of crude oil in the United States and the five oil producing states of the Tenth District:

	*Jan. 1935 Barrels	Dec. 1934 Barrels	Jan. 1934 Barrels
Oklahoma.....	14,892,000	14,703,000	15,218,000
Kansas.....	4,328,000	3,933,000	3,407,000
Wyoming.....	1,050,000	1,071,000	909,000
Colorado.....	114,000	96,000	87,000
New Mexico.....	1,477,000	1,478,000	1,319,000
Total five states.....	21,861,000	21,281,000	20,940,000
Total United States.....	77,466,000	75,010,000	71,976,000

Mid-continent crude oil prices continue unchanged at schedules ranging from 76 cents per barrel for oil testing below 25 degrees gravity to \$1.08 per barrel for that testing 40 degrees and over. In the market for refined products, gasoline was weak throughout January but most other items were firm.

Cement

The output of finished Portland cement at Tenth District mills during January, as reported by the United States Bureau of Mines, was seasonally less than in December and, excluding January, 1933, smaller than in any like month since 1926, declining 16.2 per cent as compared to January, 1934. Shipments, which fell short of production, increased for the month but declined for the year and month-end stocks were the highest since January 31, 1932.

Cement production in the District and the United States, as reported by the Bureau of Mines, in thousands of barrels:

	TENTH DISTRICT			UNITED STATES		
	Production	Shipments	Stocks	Production	Shipments	Stocks
January 1935....	408	387	2,454	3,202	2,846	21,816
December 1934....	629	355	2,434	4,447	3,104	21,460
January 1934....	487	434	2,101	3,779	3,778	19,547

Zinc and Lead

Shipments of zinc and lead concentrates by Tri-State mines and tailing mills during the first five weeks of 1935 were the largest for the period in three years, deliveries of zinc ore being 8,009 tons and of lead ore 3,244 tons above a year ago. Zinc ore production exceeded shipments although buyers purchased all concentrates available at present prices. Lead ore shipments included a large portion of surplus stocks, accumulated the past year by one company, and were above production.

Mines were inactive during the holidays, and a majority were closed down by cold weather late in January.

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

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	23,556	\$612,456	2,303	\$ 82,908
Kansas.....	8,770	228,020	2,722	97,992
Missouri.....	1,323	34,398	89	3,204
5 Weeks ended Feb. 2, 1935.....	33,649	\$874,874	5,114	\$184,104
5 Weeks ended Dec. 29, 1934.....	36,827	941,382	4,767	161,386
5 Weeks ended Feb. 3, 1934.....	25,640	659,299	1,870	80,927

Bituminous Coal

The weekly coal reports of the United States Bureau of Mines, Department of the Interior, indicate the production of bituminous coal in each of the six coal producing states of the Tenth District was larger in January than in the preceding month, the combined output totaling 2,260,000 tons, a gain of 176,000 tons over December. Production was also larger than a year ago in all states except New Mexico, the increase for the District amounting to 452,000 tons, or 25 per cent.

Estimates of tonnage mined in the six states and the United States, during the three months of comparison, follow:

	*Jan. 1935	*Dec. 1934	Jan. 1934
	Tons	Tons	Tons
Colorado.....	699,000	649,000	536,000
Kansas and Missouri.....	712,000	645,000	605,000
New Mexico.....	118,000	110,000	130,000
Oklahoma.....	234,000	207,000	161,000
Wyoming.....	497,000	473,000	376,000
Total six states.....	2,260,000	2,084,000	1,808,000
Total United States.....	35,932,000	31,386,000	32,916,000

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

Agriculture

Southern and eastern parts of the District received normal or above amounts of moisture during January, but the western third of the winter wheat belt received very little or no precipitation and the wheat crop in that area is threatened with extensive injury unless the surface and sub-soil moisture deficiency is relieved soon. Prospects continue promising in south central and eastern areas, although some damage from heaving and freezing is reported. Wheat in eastern Kansas and some sections of central Nebraska is the best in several years. Rains have relieved the drouth in eastern and central Oklahoma but the panhandle area has had no moisture of consequence. Some barley has been winter killed.

The preparation of seed beds for spring crops has made very little progress to date, fields in some areas being too wet and in others too dry for plowing. Available supplies of adaptable seeds are short, the crop of some kinds being the smallest of record, notably grain sorghums and grasses. Alfalfa, Korean lespedeza, and blue grass seed is, due in part to Government purchases last summer, in about normal supply despite the reduced crop. The 1934 production of soybeans and cowpeas was above the five-year average. Demand for western Nebraska seed potatoes is extraordinarily heavy this year and the movement of the short crop is now under way and shipments are expected to be considerably below the 1934 total. Prices of seeds on the whole are about double what they were at this time last year.

Prices of all farm commodities, except potatoes and wool, are higher than a year ago, corn, oats, grain sorghums, cottonseed, hay, pork, beef, butterfat, eggs, and seed crops making outstanding advances. Some items are on a pre-war parity basis but the purchasing power of all commodities is still 15 per cent below the 1909-1914 average.

Government rental and benefit payments through the Agricultural Adjustment Administration, to signers of cotton, tobacco, wheat, and corn-hog adjustment contracts in the seven states of the District, amounted to \$10,345,354 in December. Total payments in the seven states under these contracts had amounted to \$127,489,541 through December 31. Sugar beet farmers in Colorado, Wyoming, Nebraska, and Kansas are receiving their first checks under the sugar adjustment act.

1935 corn-hog agreements are now being signed. The minimum corn acreage reduction requirement is 10 per cent of the 1932-1933 base acreage, with an elective maximum reduction of 30 per cent. Owing to the feed emergency, occasioned by the drouth, land held out of corn production may be planted without limitation to any other crop than corn. The sign-up of sugar beet production adjustment contracts closed February 9 in most states including those of this District. Nineteen states are participating in this program.

Cold Storage Holdings

Declines during January in United States cold storage holdings of all commodities were reported by the Bureau of Agricultural Economics, United States Department of Agriculture. Net withdrawals of pork, lard, and miscellaneous meats for the month were contrary to seasonal tendencies and the out-movement of all other commodities was in excess of normal. February 1 holdings of pork were about normal for the season but inventories of all other meats, lard, and cheese were substantially above, and of butter and eggs below, the five-year average for the date.

United States cold storage holdings:

	*Feb. 1 1935	Jan. 1 1935	Feb. 1 1934	Feb. 1 5-Yr. Av.
Beef, lbs.....	127,198	140,940	72,948	67,040
Pork, lbs.....	670,856	687,563	730,404	678,602
Lamb and mutton, lbs.....	3,809	4,560	4,183	3,381
Poultry, lbs.....	122,265	132,001	120,177	115,885
**Turkeys, lbs.....	23,513	18,652	19,941	13,981
Miscellaneous meats, lbs.....	109,625	126,033	71,359	74,162
Lard, lbs.....	112,711	118,107	168,756	90,964
Eggs, cases.....	53	648	50	332
Eggs, frozen (case equivalent).....	1,506	1,854	1,426	1,649
Butter, creamery, lbs.....	18,984	47,175	75,995	44,671
Cheese, all varieties, lbs.....	81,246	102,197	78,789	72,161

*Subject to revision. **Included in Poultry.

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

Meat Packing

Operations at meat packing establishments, as measured by the number of animals purchased by packers for slaughter at the six principal market centers of the District, including hogs shipped direct to packers' yards, were less active in January this year than in either December or January last year. Fewer cattle were slaughtered during the month than in January, 1934, or in any month since last April. Calf slaughter, although 51.8 per cent larger than a year ago and 62 per cent above normal, was the lightest since June.

Reflecting light receipts, swine numbers declined 29.1 per cent as compared to December, 58.2 per cent as compared to January last year, and 57 per cent as compared to the ten-year average. Purchases were, with one exception, September, 1920, the smallest for any month in sixteen years of record. Less than the usual number of sheep and lambs were also slaughtered during the month, the total being 28 per cent below normal and the smallest for any January of record.

The Bureau of Agricultural Economics reported the Federally inspected slaughter of hogs for the United States in January as the smallest for the month since 1911 and 43 per cent below a year ago. Cattle slaughter, which included Government

purchases, was the smallest since June but not exceeded by any January since 1919. Calf slaughter established a record for the month. Few, if any, Government sheep being included in the totals, the slaughter of sheep and lambs fell 4.4 per cent below the January, 1934, numbers.

Federally inspected slaughter of live stock as reported by the Bureau of Agricultural Economics:

	Cattle	Calves	Hogs	Sheep
January 1935.....	977,000	512,000	3,047,000	1,345,000
December 1934.....	1,188,000	494,000	4,196,000	1,314,000
January 1934.....	831,000	471,000	5,391,000	1,407,000

NOTE: The slaughter of cattle, calves, and sheep for Government account is included in the January, 1935, and December, 1934, totals.

Live Stock

MARKETINGS: Improved prices and short feed supplies resulted in a larger number of cattle and calves arriving at the six principal market centers of the Tenth District in January than in any like month since 1928. Hogs were scarce and higher and receipts were the smallest for any month in seventeen years of record. Marketings of sheep and lambs, although considerably heavier than in the preceding month, were 20.7 per cent less than in January, 1934, and the smallest for the month of record. Compared to the ten-year average January supply, receipts of cattle and calves increased 6 and 44 per cent, respectively, and those of hogs and sheep and lambs declined 59 per cent and 21 per cent. Horses and mules were in normal supply, offerings totaling 15,453 head in January against 11,096 head in December and 15,836 head in January, 1934.

All live stock values are well above a year ago, prices of cattle and hogs making notable advances in recent weeks. The January advance in cattle prices exceeded expectations, being one of the greatest peace-time gains for one month in the history of the live stock industry. All classes ruled \$1.25 to \$2 or more per hundredweight higher at the close, beef steers showing an extreme advance of \$3.25. The month's top for fat steers at Kansas City was \$13.00 against \$7.00 last year. Moderate gains continued into February when a new top of \$13.25 was reached. Present levels for finished steers are higher than at any time since December, 1930, cows and stock cattle since June, 1931, and feeders and calves since April, 1931.

Hogs were 50 cents to \$1.00 per hundredweight higher, reaching \$8.30 on January 9 which price compares with last year's January top of \$3.50. On February 26 a small lot sold at \$9.10, a new high since November, 1930, at Kansas City.

Fed and native lamb prices were steady to strong throughout the month and wethers and fat ewes closed about \$1 per hundredweight higher and feeder lambs were up \$1.25 to \$1.50. Top quality lambs brought \$9.35, or 25 cents more than last year. Lambs from Kansas wheat pastures made their first general appearance and, being in excellent shape, commanded top or near top prices. Prices of both sheep and lambs weakened somewhat the forepart of February.

Improvement in live stock feeding ratios widened the demand for stocker and feeder live stock. Purchases of stocker and feeder cattle at four Tenth District markets during January were 36.1 per cent larger than a year ago and the largest for the month since 1931, and calf purchases were above normal. Feeder pig regulations under the 1935 corn-hog contracts have been modified and contract signers are now permitted to buy unlimited numbers for feeding purposes from non-signers, whereas before they were restricted to signers.

RANGES AND PASTURES: Generally mild, open weather during January and the first three weeks of February permitted the full use of ranges and pastures, thereby conserving the scant supplies of feed. Live stock on western ranges are in poor to fair condition. Feed supplies are the shortest of record and supplemental feeding of shipped-in feeds has been heavy. In the drier areas live stock has shrunken badly and, although death losses have not been unusual so far, they are expected to be heavy if the weather becomes severe. Wheat and rye pastures in eastern and south central sections of the District furnished some pasture but many fields have recently been too wet for live stock. Roughage is reported as becoming increasingly scarce and feed grains exceedingly so. Spring lamb and calf crop prospects are fair to poor.

Heavy rains have assured good pastures and sufficient supplies of water in the Flint Hills section of Kansas and the Osage region of Oklahoma. Leasing, which started early in January, has moved forward rapidly and most of the larger pastures are now under contract at higher rentals than a year ago. Government purchasing of drouth relief cattle was discontinued the forepart of February.

LIVE STOCK ON FARMS JANUARY 1: Liquidations of cattle and calves and sheep and lambs the past year, and swine the past two years, and steady decreases in the numbers of horses and colts and mules and mule colts since 1920, have reduced total live stock numbers on farms in this District and the United States as of January 1, 1935, to the lowest point in many years. Reductions in numbers in the seven states of the District the past year were in percentages as follows: all cattle and calves, 19.2; milk cows, 9.9; swine, including pigs, 47.2; sheep and lambs, 6.9; horses and colts, 1.2; and mules and mule colts, 7.7 per cent. Decreases for the United States of 11 per cent in cattle numbers and 35 per cent in swine numbers were much the largest ever reported for any one year.

Notwithstanding the decreases in numbers, the estimated value of each species of live stock on farms in the United States on January 1 was larger than a year ago, the total value of all live stock being placed at \$3,103,136,000, an increase of \$225,292,000 or about 8 per cent over the value on January 1, 1934. However, reductions of cattle, hogs, and sheep being proportionately heavier in this District than in the United States as a whole, the January 1 inventory value for the District of these species showed losses as compared to January 1, 1934.

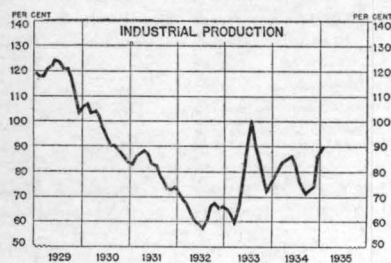
JANUARY MOVEMENT OF LIVE STOCK IN THE TENTH DISTRICT

	RECEIPTS				STOCKERS AND FEEDERS				PURCHASED FOR SLAUGHTER			
	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep
Kansas City.....	144,583	29,158	*149,907	126,409	41,468	3,200	3,140	13,561	73,636	27,240	*140,963	95,726
Omaha.....	109,710	13,899	129,780	115,163	19,378	1,974	1,077	17,260	68,853	11,925	91,956	78,540
St. Joseph.....	34,284	7,747	71,665	66,858	4,759	158	2,150	3,774	25,195	7,307	68,645	60,655
Denver.....	32,518	9,143	56,289	117,465	15,446	4,373	181	13,935	12,432	3,543	36,272	12,872
Oklahoma.....	56,530	11,464	30,968	10,048	.....	.....	.....	.....	31,978	8,018	26,851	7,982
Wichita.....	38,517	6,442	20,028	15,966	.....	.....	.....	.....	9,969	5,262	18,552	10,963
January 1935.....	416,142	77,853	458,637	451,909	81,051	9,705	6,548	48,530	222,063	63,295	383,239	266,738
December 1934.....	372,368	76,583	689,994	274,411	39,018	5,417	11,156	32,783	259,241	70,535	540,907	184,015
January 1934.....	386,790	53,715	1,069,504	569,829	59,554	14,721	6,862	60,884	236,215	41,706	916,336	386,673

*Includes 85,573 hogs shipped direct to packers' yards.

Business Conditions in the United States

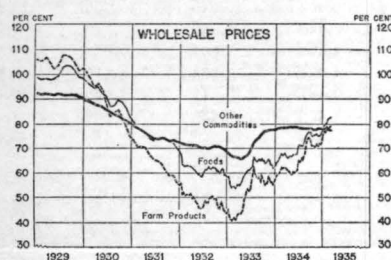
By the Federal Reserve Board



Index of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure: January, 90.



Indexes of factory employment and payrolls without adjustment for seasonal variation. (1923-1925 average=100.) Latest figures January: employment, 78.6; payrolls, 64.1. Indexes compiled by the United States Bureau of Labor Statistics.



Indexes of the United States Bureau of Labor Statistics. (1926=100.) By months, 1929 to 1931; by weeks, 1932 to date. Latest figure, February 16: farm products, 72.9; foods, 83.1; other commodities, 77.7.



Wednesday figures for reporting member banks in 91 leading cities. Latest figures are for February 13.

Industrial output, which had shown a rapid growth in December, increased further in January. Activity in the building industry continued at a low level. Wholesale commodity prices advanced considerably during January and the first half of February, reflecting chiefly marked increases in the prices of live stock and live stock products.

PRODUCTION AND EMPLOYMENT: Volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 86 per cent of the 1923-25 average in December to 90 per cent in January. Activity in the steel and automobile industries continued to increase rapidly during January and the early part of February; in the middle of the month, however, steel production declined. Output of lumber increased in January but was still at a low level. At cotton and woolen textile mills activity showed a considerable growth while in the meat packing industry output declined. Output of crude petroleum increased further in January and the first half of February.

Factory employment and payrolls increased somewhat between the middle of December and the middle of January, although a decline is usual at this season. At automobile factories the volume of employment increased further by a large amount and there were substantial increases at steel mills, foundries, and woolen mills. Employment in the meat packing industry continued to decline and in January was at about the same level as a year ago. Among the non-manufacturing industries, the number employed at retail trade establishments and on construction projects showed declines of a seasonal nature.

Value of construction contracts awarded in January, as reported by the F. W. Dodge Corporation, was slightly larger than in December but considerably smaller than a year ago, when the volume of public projects was exceptionally large. The value of contracts awarded for residential building in the three months from November to January was about the same as in the corresponding periods of the two preceding years.

DISTRIBUTION: Freight-carloadings showed a seasonal growth in January. At department stores the volume of business declined somewhat more than is usual after the Christmas holidays.

COMMODITY PRICES: The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, advanced from 77.9 per cent of the 1926 average in the week ending January 5 to 79.4 per cent in the week ending February 16. During January prices of cattle and beef showed substantial increases and in February the price of hogs advanced considerably. Prices of cotton, grains, and silk showed a decline in January and the first few days of February, followed by an advance in the middle of the month.

BANK CREDIT: During the five weeks ended February 20, member bank balances with the reserve banks increased by \$260,000,000 and their excess reserves rose to about \$2,300,000,000. The principal factors in the increase were an inflow of gold from abroad and disbursements by the Treasury of funds previously held as cash or on deposit with the Federal reserve banks.

Net demand deposits of weekly reporting member banks in leading cities increased by more than \$200,000,000 in the four weeks ended February 13. Total loans and investments of these banks showed no significant changes during the period. Slight declines occurred in loans on securities and in holdings of direct obligations of the United States Government, while other loans and other securities increased somewhat.

Yields on United States Government securities declined slightly further and other open market money rates continued at a low level.