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

FEDERAL RESERVE BANK OF KANSAS CITY

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**T**ENTH District business activity, although displaying some hesitancy and unevenness during February and the forepart of March, approximated the January level and on the whole was well above a year ago. The monetary volume of business transactions, as reflected by debits by banks to individual accounts, was about unchanged for the month and 9.4 per cent larger than last year. Trade at retail, as indicated by department store sales, increased by more than the usual seasonal amount from January to February, the February volume exceeding that of February, 1934, by 13.7 per cent with collections also better. Wholesale trade declined slightly during the month and was 8.2 per cent smaller than a year ago, drugs being the only one of the five reporting lines showing improvement this year. Retail lumber sales tended slightly downward in February and were moderately lighter than a year ago. The record of business failures continued favorable, being the best for any February since 1920.

Crude oil production in fields of the District, although 4.6 per cent larger than a year ago, was below Federal allowables and the January output. Shipments of zinc ore which increased and of lead ore which declined for the month were considerably larger than a year ago. Activity at flour mills was well maintained but operations at meat packing plants were unusually light owing to the shortage of live stock. In the building industry residential construction and city permits registered some improvement but construction in general was stagnant.

Market receipts of both live stock and grain were exceptionally light. Prices of hogs and medium priced cattle advanced rapidly to the highest levels since 1930. Eggs declined and poultry advanced seasonally. Grain prices closed about unchanged for the month to weaken the forepart of March and cotton broke sharply, later recovering a part of the loss.

Farmers are encouraged by higher prices and, although crop prospects are only fair, most surpluses have been eliminated and the agricultural outlook for the coming season is generally regarded as the best in several years. The weather throughout the winter has been favorable for live stock and, with the heavy feeding season passing, feed supplies, which are still distressingly short in some areas, have held out better than expected.

The eastern half and extreme western sections of the District received normal or near normal supplies of moisture during February and the forepart of March, with present supplies sufficient for current needs, but the western third of the winter wheat belt remained dry and wheat in that area was severely damaged by high winds and dust storms. Soil preparation and the planting of spring crops are going forward on schedule except in the semi-arid regions where the ground is too dry to work.

**BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT**  
Percentages of Increase, or Decrease (—), for February 1935 over January 1935 and February 1934 and for the first two months of 1935 over the like period in 1934.

	February 1935 compared to		2 Mos. 1935 compared to 2 Mos. 1934
	Jan. 1935	Feb. 1934	
<b>Banking</b>			
Payments by check, 29 cities.....	— 2.5	9.4	11.2
Federal Reserve Bank clearings.....	— 9.5	6.3	7.7
Business failures, number.....	8.1	— 9.1	—16.3
Business failures, liabilities.....	—14.9	—62.7	—53.5
Loans, 51 member banks.....	1.6	— 1.2	.....
Investments, 51 member banks.....	1.7	7.9	.....
Net demand deposits, 51 member banks..	1.2	21.1	.....
Time deposits, 51 member banks.....	0.2	0.1	.....
Savings deposits, 45 selected banks.....	1.6	11.4	.....
Savings accounts, 45 selected banks.....	0.5	5.0	.....
<b>Distribution</b>			
Wholesalers' sales, 5 lines combined.....	— 2.0	— 8.2	— 7.4
Retailers' sales, 32 department stores.....	7.9	13.7	10.7
Lumber sales, 155 retail yards.....	— 2.7	— 5.9	—15.7
Life insurance, written.....	—12.6	5.2	9.5
<b>Construction</b>			
Building contracts awarded, value.....	—59.4	—15.0	0.7
Residential contracts awarded, value.....	57.0	— 8.8	—37.2
Building permits in 17 cities, value.....	15.5	41.9	24.6
<b>Production</b>			
Flour.....	— 5.7	9.0	5.6
Crude petroleum.....	—11.6	4.6	5.7
Zinc ore (shipped) Tri-State district.....	13.4	47.2	38.6
Lead ore (shipped) Tri-State district.....	—19.6	49.0	111.9
Cement.....	—29.1	— 4.6	— 4.2
<b>Grain receipts, 5 markets</b>			
Wheat.....	—21.8	—57.3	—50.9
Corn.....	17.5	—32.1	—49.4
Oats.....	—17.1	—23.1	0.9
Rye.....	25.4	—71.1	—91.2
Barley.....	60.4	—77.1	—85.9
Kafir.....	38.6	—50.1	—64.3
<b>Live stock receipts, 6 markets</b>			
Cattle.....	—32.6	—12.1	— 1.3
Calves.....	—28.1	13.8	30.0
Hogs.....	— 8.1	—39.8	—50.3
Sheep.....	3.4	—14.3	—17.6
Horses and mules.....	16.4	20.8	8.5
<b>Meat packing, 6 markets</b>			
Cattle.....	—39.9	—32.3	—18.0
Calves.....	—31.6	16.9	35.4
Hogs.....	—11.0	—42.4	—52.0
Sheep.....	— 6.1	—23.6	—27.6

## Financial

**MEMBER BANK OPERATIONS:** The combined weekly condition statements of fifty-one selected member banks in leading cities of the Tenth District reflect increases in loans and discounts, investments, net demand deposits, and time deposits between February 13 and March 13. Total loans and discounts showed a gain of \$3,134,000 over the total of February 13, the low point of recent years, and a loss of \$2,476,000 as

compared to March 14, 1934. Investment holdings, continuing at record high levels, were up slightly in four weeks, the increase being in United States Government securities and securities fully guaranteed by the United States Government.

Net demand deposits of the fifty-one banks amounting to \$492,642,000, up \$85,699,000 or 21 per cent since March 14, 1934, are now higher than at any time since October 15, 1930, and only \$32,619,000, or 6.2 per cent, below their peak of August 14, 1929. Time deposits were relatively unchanged in four weeks and fifty-two weeks.

Statements of the principal resource and liability items are shown for the three dates of comparison in the following table:

	Mar. 13, 1935	Feb. 13, 1935	Mar. 14, 1934
Loans and investments—total.....	\$578,145,000	\$568,580,000	\$552,572,000
Loans and discounts—total.....	195,973,000	192,839,000	198,449,000
Secured by stocks and bonds.....	53,590,000	52,022,000	62,301,000
All other loans and discounts.....	142,383,000	140,817,000	136,148,000
Investments—total.....	382,172,000	375,741,000	354,123,000
U. S. securities direct.....	244,286,000	241,230,000	246,128,000
Obligations fully guaranteed by U. S. Government.....	21,286,000	18,281,000	.....
Other securities.....	116,600,000	116,230,000	107,995,000
Reserve with F. R. bank.....	101,143,000	106,494,000	82,954,000
Net demand deposits.....	492,642,000	486,682,000	406,943,000
Time deposits.....	164,992,000	164,659,000	164,797,000
Government deposits.....	21,271,000	21,682,000	30,240,000

**FEDERAL RESERVE BANK OPERATIONS:** Outstanding changes shown by the weekly condition statements of the Federal Reserve Bank of Kansas City and branches during the four weeks' period ended March 13 were a decline of \$10,114,699 in holdings of gold certificates and substantial increases in purchases of United States Government securities, total resources, and Federal reserve note circulation. Purchases of \$15,000,000 of United States Government securities the second week of March carried total holdings thereof to an all-time high record of \$106,844,250 on March 13, with portfolios as of that date showing a gain since March 14, 1934, of \$23,400,050. These purchases boosted total holdings of bills and securities as of March 13 to \$107,746,803, or higher than for any weekly reporting date since May 4, 1921. Total resources as of March 13 were within \$2,057,143 of their all-time peak of \$341,155,243 the previous week.

On March 13 Federal reserve note circulation was higher than on any previous reporting date this year, up 2.2 per cent in four weeks and 8 per cent in fifty-two weeks. Member banks' reserve deposits, although declining slightly during the four weeks' period, were only fractionally below their peak of January 30 on March 13 at which time they were 28.9 per cent higher than on March 14, 1934.

Holdings of bills rediscounted for member banks and of bills purchased in the open market increased slightly during the four weeks' period but on March 13 were somewhat smaller than on March 14, 1934. Industrial advances gained \$3,734 to a total of \$639,083 on March 13.

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

	Mar. 13, 1935	Feb. 13, 1935	Mar. 14, 1934
Total reserves.....	\$197,421,099	\$207,535,798	\$182,447,744
Bills discounted.....	114,867	95,163	357,187
Bills purchased.....	148,603	148,545	1,339,582
Industrial advances.....	639,083	635,349	.....
U. S. securities.....	106,844,250	91,844,250	83,444,200
Total bills and securities.....	107,746,803	92,723,307	85,140,969
Total resources.....	339,098,100	331,237,543	302,107,587
F. R. notes in circulation.....	117,956,575	115,396,475	109,254,560
F. R. bank notes in cir.—net.....	.....	.....	4,278,700
Member banks' reserve deposits.....	176,874,671	177,720,883	137,241,044

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:** Continued gains in savings deposits and the number of savings accounts were reflected by the March 1 reports of forty-five selected banks in leading cities of the District. Deposits increased 1.6 per cent between February 1 and March 1 and the total as of the latter date was 11.4 per cent larger than that of March 1, 1934. These banks had 2,173 more savings accounts on March 1 than one month earlier and 19,411 more than one year earlier.

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

	Savings Accounts	Savings Deposits
March 1, 1935.....	403,893	\$119,563,326
February 1, 1935.....	401,719	117,674,651
March 1, 1934.....	384,482	107,350,017

### Bank Debits

The aggregate value of checks debited by banks in twenty-nine leading cities of the District to individual accounts during the five weeks ended March 6 was 2.5 per cent smaller than in the preceding five weeks ended January 30, but 9.4 per cent larger than in the corresponding five weeks of 1934, ended March 7. Only five of the twenty-nine cities reported decreases as compared to a year ago.

Debits in the twenty-nine cities during the first nine weeks this year amounted to \$1,908,157,000 as compared with \$1,715,304,000 for the like period in 1934.

### PAYMENTS BY CHECK

	FIVE WEEKS ENDED		Per cent Change
	March 6, 1935	March 7, 1934	
Albuquerque, N. M.....	\$ 10,063,000	\$ 9,068,000	11.0
Atchison, Kans.....	3,702,000	3,095,000	19.6
Bartlesville, Okla.....	26,078,000	22,031,000	18.4
Casper, Wyo.....	4,537,000	4,054,000	11.9
Cheyenne, Wyo.....	6,942,000	5,250,000	32.2
Colorado Springs, Colo.....	13,247,000	12,643,000	4.8
Denver, Colo.....	147,241,000	146,873,000	0.3
Enid, Okla.....	8,782,000	8,872,000	— 1.0
Fremont, Nebr.....	2,418,000	2,464,000	— 1.9
Grand Junction, Colo.....	2,551,000	1,997,000	27.7
Guthrie, Okla.....	1,890,000	1,533,000	23.3
Hutchinson, Kans.....	14,032,000	11,233,000	24.9
Independence, Kans.....	2,386,000	4,435,000	— 46.2
Joplin, Mo.....	8,977,000	7,976,000	12.6
Kansas City, Kans.....	11,392,000	10,143,000	12.3
Kansas City, Mo.....	301,580,000	269,015,000	12.1
Lawrence, Kans.....	3,683,000	3,602,000	2.2
Lincoln, Nebr.....	29,066,000	26,069,000	11.5
Muskogee, Okla.....	6,900,000	8,546,000	— 19.3
Oklahoma City, Okla.....	86,101,000	80,723,000	6.7
Okmulgee, Okla.....	2,885,000	2,508,000	15.0
Omaha, Nebr.....	137,760,000	128,477,000	7.2
Pittsburg, Kans.....	3,984,000	3,680,000	8.3
Pueblo, Colo.....	13,214,000	13,322,000	— 0.8
Salina, Kans.....	8,730,000	7,838,000	11.4
St. Joseph, Mo.....	29,046,000	28,300,000	2.6
Topeka, Kans.....	18,015,000	15,181,000	18.7
Tulsa, Okla.....	107,850,000	92,845,000	16.2
Wichita, Kans.....	46,112,000	36,740,000	25.5
Total 29 cities, 5 weeks.....	\$ 1,059,164,000	\$ 968,513,000	9.4
Total 29 cities, 9 weeks.....	1,908,157,000	1,715,304,000	11.2
U. S. 270 cities, 5 weeks.....	36,042,216,000	33,933,509,000	6.2
U. S. 270 cities, 9 weeks.....	65,463,764,000	60,063,827,000	9.0

### Reserve Bank Clearings

Check collections through the Federal Reserve Bank of Kansas City and branches at Omaha, Denver, and Oklahoma City declined 9.5 per cent in February from the seasonally large January totals occasioned by year-end settlements. Clearings during February exceeded the February, 1934, amount by 6.3 per cent although the number of checks handled was 5.5 per cent less. The record for the first two months of the year shows a reduction of 7.7 per cent in the number of items handled but an increase of 7.7 per cent in dollars as compared to the first two months of 1934.

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

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED		
	Feb. 1935	Year 1935	Feb. 28, 1935		February		Year		Feb. 28, 1935		Feb. 1935		
	compared to Feb. 1934	compared to Year 1934	compared to Jan. 31, 1935	Feb. 28, 1934	1935	1934	1935	1934	compared to Jan. 31, 1935	Feb. 28, 1934	compared to Jan. 1935	Feb. 1934	
Kansas City....	4	15.6	13.5	2.9	-12.7	.24	.18	.47	.36	- 8.7	9.2	-26.5	8.1
Denver.....	4	30.1	21.6	4.7	0.9	.30	.23	.57	.48	- 5.7	16.7	-21.8	20.5
Oklahoma City	3	0.7	2.0	11.2	0.7	.32	.33	.64	.66	-15.8	3.4	-27.8	11.9
Tulsa.....	3	3.1	1.4	19.9	1.8	.33	.31	.64	.62	- 8.9	5.3	-30.5	9.5
Wichita.....	3	19.2	18.5	15.1	Even	.27	.24	.51	.46	- 3.8	11.6	-31.1	16.1
Other cities.....	15	5.3	3.0	15.2	2.6	.22	.22	.43	.43	-11.4	- 0.1	-20.4	10.1
Total.....	32	13.7	10.7	8.8	- 2.5	.27	.23	.52	.45	- 9.2	8.0	-24.5	13.3

NOTE: Percentage of collections in February on open accounts January 31, all stores reporting 41.3. Collections same month last year 39.2.

The number of items handled and the amount of clearings through this bank and branches:

	ITEMS		AMOUNT	
	1935	1934	1935	1934
February.....	4,910,336	5,195,058	\$ 723,156,000	\$ 680,161,000
January.....	5,278,414	5,841,067	799,176,000	733,545,000
Two months.....	10,188,750	11,036,125	1,522,332,000	1,413,706,000

Business Failures

Following the course of the past two years February business insolvencies in the Tenth District again declined as compared to the preceding year, both in number and in amount of liabilities involved. There were forty business defaults during the month, or three more than in January, with the February total the smallest for that month since 1920. Liabilities amounted to only \$202,303, or less than in any previous month since August, 1920.

Insolvencies in the United States were also less numerous and the amount of indebtedness involved the smallest recorded for any February in fifteen years.

The record of business failures as reported by Dun and Bradstreet, Incorporated:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
February 1935.....	40	\$202,303	1,005	\$18,737,657
January 1935.....	37	237,590	1,184	18,823,697
February 1934.....	44	543,032	1,049	19,444,718

Trade

Continued improvement in retail distribution and a reduction in wholesalers' sales of merchandise were disclosed by the February reports of retailers and wholesalers operating in the Tenth District.

RETAIL: Sales of thirty-two department stores, located in the larger cities of the District, increased 7.9 per cent during the short month of February, or somewhat more than the usual seasonal amount. The total for the month exceeded that for February, 1934, by 13.7 per cent. Cumulative sales for the first two months this year were 10.7 per cent above the dollar volume reported for the same two months of 1934.

Stocks of the reporting stores at the close of February averaged 8.8 per cent higher than at the close of January but 2.5 per cent lower than at the close of February last year.

Collections declined during February, representing 41.3 per cent of amounts outstanding on January 31, which ratio compares with 46.1 per cent for January and 39.2 per cent for February, 1934.

Preliminary estimates released by the Bureau of Foreign and Domestic Commerce, Department of Commerce, show sales of general merchandise in small towns and rural areas in the United States for February, 1935, were about 12.5 per cent higher in dollar volume than for February, 1934, and 61.5 per cent above the same month of 1933. Also, daily average dollar sales of chain grocery stores for February, 1935, were 3.5 per cent larger than a year ago and 13 per cent larger than two years ago.

WHOLESALE: Following the extremely large increases reported by five representative wholesale lines in February, 1934, over February, 1933, the dollar volume of sales of all lines but drugs was somewhat smaller for February this year than last. Sales of dry goods were off 20.2 per cent, groceries 5.8 per cent, hardware 7.9 per cent, and furniture 12.4 per cent and those of drugs were up 0.4 per cent. The decrease for the five lines combined averaged 8.2 per cent, resulting in a cumulative decrease for the year to March 1 of 7.4 per cent. Sales of hardware and furniture were 8.3 and 4.4 per cent, respectively, larger than in January but sales of dry goods were 2.5, groceries 4.7, drugs 6.9, and the five lines combined 2.0 per cent smaller.

All lines reported stocks as somewhat heavier on February 28 than on January 31, with the inventory value of dry goods 11.5, groceries 21.1, and drugs 2.8 per cent larger than on February 28, 1934. Stocks of hardware declined 6.5 and furniture 0.9 per cent for the year.

Life Insurance

Sales of new paid-for ordinary life insurance, in the seven states which form this District, totaled \$35,764,000 for the month of February, as compared with \$33,983,000 for the like month last year. The reports show more new insurance was written this year than last in all states but Missouri, Oklahoma making the most favorable improvement.

Life insurance sales by states, as reported to the Life Insurance Sales Research Bureau:

	Feb. 1935	Jan. 1935	Feb. 1934
Colorado.....	\$ 4,106,000	\$ 4,896,000	\$ 3,795,000
Kansas.....	5,177,000	5,629,000	4,579,000
Missouri.....	15,304,000	18,886,000	15,614,000
Nebraska.....	4,124,000	4,594,000	4,043,000
New Mexico.....	768,000	777,000	704,000
Oklahoma.....	5,590,000	5,547,000	4,640,000
Wyoming.....	695,000	614,000	608,000
Seven states.....	\$ 35,764,000	\$ 40,943,000	\$ 33,983,000
United States.....	533,784,000	645,334,000	471,090,000

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	SALES		OUTSTANDINGS		AMOUNTS COLLECTED		STOCKS		
	Feb. 1935	Year 1935	Feb. 28, 1935		Feb. 1935		Feb. 28, 1935		
	compared to Jan. 1935	compared to Year 1934	compared to Jan. 31, 1935	Feb. 28, 1934	compared to Jan. 1935	Feb. 1934	compared to Jan. 31, 1935	Feb. 28, 1934	
Dry goods.....	6	- 2.5	-20.2	3.6	- 7.3	-11.5	-15.4	12.1	11.5
Groceries.....	5	- 4.7	- 5.8	3.6	- 6.7	- 5.0	- 1.5	2.2	21.1
Hardware.....	9	8.3	- 7.9	3.1	- 9.6	- 8.8	-11.7	4.2	6.5
Furniture.....	5	4.4	-12.4	2.6	-17.0	5.7	0.2	5.0	0.9
Drugs.....	7	- 6.9	0.4	0.2	- 4.1	- 2.3	- 2.0	2.3	2.8

## Lumber

The footage sales of lumber, at 155 reporting retail yards located in the Tenth District, show declines in February from those reported for January this year of 2.7 per cent and from February last year of 5.9 per cent. Dollar sales of all materials, although 10.8 per cent smaller in February than in January, were 11 per cent larger than in February, 1934.

Stocks of lumber at the yards were slightly larger at the close of the month than on January 31 but 5.9 per cent smaller than one year earlier. Collections declined during February averaging 32.7 per cent of amounts receivable at the close of the preceding month but were somewhat better than a year ago. Collections in January amounted to 40.4 and in February, 1934, to 30.0 per cent of amounts receivable.

February business is herewith compared with that for January, 1935, and February, 1934, in percentages of increase or decrease:

	February 1935 compared to	
	January 1935	February 1934
Sales of lumber, board feet.....	— 2.7	— 5.9
Sales of all materials, dollars.....	—10.8	11.0
Stocks of lumber, board feet.....	1.2	— 5.8
Outstandings, end of month.....	1.0	— 8.2

## Building

Despite favorable weather conditions, building operations throughout the District were considerably lighter in February than in the preceding month and, aside from February, 1933, were the lowest for any like month in recent years. Total expenditures, as reported by the F. W. Dodge Corporation, of \$3,478,710 fell \$5,080,829 short of the January total and \$615,796 below a year ago. Residential contracts amounted to \$817,053, or \$296,628 more than in January but \$78,457 less than in February, 1934.

The F. W. Dodge Corporation report:

	RESIDENTIAL		TOTAL	
	Tenth District	United States	Tenth District	United States
Feb. 1935.....	\$ 817,053	\$16,616,800	\$ 3,478,710	\$ 75,083,500
Jan. 1935.....	520,425	22,410,200	8,559,539	99,773,900
Feb. 1934.....	895,510	14,520,300	4,094,506	96,716,300

Construction in cities, as indicated by the number of building permits issued in seventeen reporting cities and estimated construction costs thereof, showed some improvement in February although operations remained substantially below normal. These cities issued 1,023 permits during the month for new construction, alterations, and repairs, estimated to cost \$1,052,273, numerous alteration and repair jobs originating through Government loans. In February, 1934, the seventeen cities issued 684 permits amounting to \$741,586 and in January, 1935, 800 permits calling for an expenditure of \$911,323.

### BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1935	1934	1935	1934
			\$	\$
Albuquerque, N. M.....	46	33	44,674	10,530
Cheyenne, Wyo.....	31	25	38,033	6,312
Colorado Springs, Colo.....	23	15	10,045	8,445
Denver, Colo.....	248	171	290,229	115,379
Joplin, Mo.....	8	6	6,250	3,950
Kansas City, Kans.....	20	16	9,145	10,400
Kansas City, Mo.....	151	86	103,600	95,700
Lincoln, Nebr.....	45	55	21,796	21,653
Oklahoma City, Okla.....	108	93	138,080	184,970
Omaha, Nebr.....	42	39	74,235	107,575
Pueblo, Colo.....	35	18	87,622	3,949
Salina, Kans.....	13	3	11,625	960
Shawnee, Okla.....	11	5	9,850	4,100
St. Joseph, Mo.....	8	16	9,835	12,210
Topeka, Kans.....	36	19	38,725	7,980
Tulsa, Okla.....	69	47	72,544	121,365
Wichita, Kans.....	129	37	85,985	26,108
Total 17 cities, February.....	1,023	684	\$1,052,273	\$ 741,586
Two months.....	1,823	1,303	1,963,596	1,575,548

## Flour Milling

Flour mills in the Tenth District operated at 64.5 per cent of full-time capacity in February, or at a higher rate of activity than in the preceding month or in any February since 1930. Production totaled 1,838,885 barrels, 110,520 barrels less than in the longer month of January but 151,955 barrels, or 9 per cent, more than in February, 1934.

A few round and large lots were booked but most sales were for immediate shipment, the urgency of directions reflecting low stocks. Shipping directions were good and many buyers have no flour left on millers' books. Flour prices advanced about 15 cents per barrel to the middle of the month, then leveled off. Clears were considerably stronger and the recent distress has been largely removed.

February flour production, with comparisons, as estimated from the weekly reports of southwestern mills to the Northwestern Miller:

	Feb. 1935	Jan. 1935	Feb. 1934
	Barrels	Barrels	Barrels
Atchison.....	102,550	112,319	111,506
Kansas City.....	502,199	519,437	442,179
Omaha.....	99,304	105,387	96,858
Salina.....	146,117	158,397	137,780
Wichita.....	154,096	161,332	148,860
Outside.....	834,619	892,533	749,746
Total.....	1,838,885	1,949,405	1,686,929
*United States.....	4,907,282	5,271,927	5,193,489

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

The decline in millfeed prices was checked and prices advanced approximately \$2 per ton. Demand for immediate shipment was active and the supply was frequently inadequate. Seaboard markets were weakened late in the month by importations.

## Grain Marketing

Less than one-fifth of the usual amount of wheat, a third of the corn, half of the oats, and approximately 10 per cent of the rye, barley, and kafir were received at the five principal grain markets of the Tenth District in February. Marketings of wheat and rye were smaller than in any other month in sixteen years of record as were those of barley, January this year excepted. Less kafir was marketed during the month than in any February of record as was also true of corn, 1932 excepted, and oats, 1933 excepted.

Corn came mostly from Iowa on contracts offered by elevator and industrial interests and receipts were 17.5 per cent above the January volume. Demand for all grains exceeded offerings and stocks of wheat, corn, and oats in public elevators were again reduced.

Arrivals of grain at the five markets during February with comparisons:

	Wheat	Corn	Oats	Rye	Barley	Kafir
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Hutchinson.....	521,100	1,250	.....	.....	.....	6,500
Kansas City.....	712,000	1,522,500	118,000	6,000	4,800	57,400
Omaha.....	122,650	289,800	96,000	1,400	1,600	.....
St. Joseph.....	96,000	163,500	312,000	.....	.....	.....
Wichita.....	358,500	9,100	21,000	.....	1,300	6,500
February 1935.....	1,810,250	1,986,150	547,000	7,400	7,700	70,400
January 1935.....	2,316,214	1,689,909	660,000	5,900	4,800	50,800
February 1934.....	4,241,350	2,924,200	711,000	25,600	33,600	141,200

Prices showed relatively little net change for the month, wheat, oats, and kafir advancing slightly and corn, rye, and barley closing steady to lower. A sharp rally followed the gold decision but the gains were short lived, prices weakening the forepart of March. Rapidly diminishing supplies, extremely light marketings, and advancing live stock prices were strength.

ening influences, counter-balanced by extensive imports, reduced live stock numbers, mild weather, and the passing of the heavy feeding season.

Cash grain prices at Kansas City as of the dates indicated:

	Mar. 15 1935	Feb. 28 1935	Jan. 31 1935	Mar. 15 1934	Feb. 28 1934	Feb. 28 1933
No. 1 dark wheat, bu.....	\$.93½	\$1.00	\$.97	\$.82	\$.81½	\$.43¼
No. 2 mixed corn, bu.....	.83½	.90	.90¼	.45¼	.44	.20¾
No. 2 white oats, bu.....	.52½	.58½	.57	.33	.34½	.17
No. 2 rye, bu.....	.75	.80½	.82	.58½	.58	.32
No. 2 barley, bu.....	.76	.84	.86	.46	.44½	.23½
No. 2 kafir, cwt.....	2.01	2.12	2.03	.82	.74	.42

### Agriculture

The new crop season commences with the farm outlook in this District the best in several years. Although crop prospects are only fair, due to the effects of the 1934 drouth and a lack of moisture, agricultural commodity prices are much higher and surpluses have been eliminated.

Practically all sections of the District received some moisture in February and the forepart of March but in eastern Colorado, northeastern New Mexico, and western Kansas and Nebraska precipitation was light and this area is urgently in need of abundant rains. Wyoming, the western slope of Colorado, and the eastern half of the District have sufficient moisture for current needs but the sub-soil is still dry as a result of the accumulated deficiency. Irrigated areas are not assured of a season's supply of irrigation water as yet.

Winter wheat which is fair to good in the central and eastern sections of the wheat belt and poor to very poor in the western third greened up considerably of late. Recent severe dust storms damaged wheat in western Kansas and Nebraska and eastern Colorado and New Mexico where plants had made little or no growth. Grass is making a slow start on account of the drouth and consequent over-grazing, and prospects for early pastures are poor except in southeastern Kansas where they are rated good. Crop plans forecast a large acreage seeded to temporary pastures for grazing.

Plowing and planting is making good progress except in the drier areas, the seeding of oats nearing completion in the southern half of the District and being well started as far north as the Nebraska line. Potato planting is about completed in eastern Oklahoma and is commencing in the Kaw Valley of Kansas and the Orrick District of Missouri. Indications point to a somewhat smaller acreage this year than last, the principal drawback being a scarcity of good seed. Fruit prospects are only fair. The Ozark peach crop was hard hit by a freeze as was that of Kansas. The Oklahoma crop apparently escaped serious loss. Strawberries and all cane fruits were extensively injured by the drouth and light yields are anticipated generally. The national sugar beet acreage was fixed by the Agricultural Adjustment Administration at 975,500 acres, a decrease of 10 per cent from the 1933 base acreage.

The annual farm moving season finds a brisk demand for rental land, some sections reporting the demand far exceeding the supply. Reports indicate a larger than usual number of retired farmers returning to their farms and a growing interest in the purchase of farms at advancing prices. The improvement in prices for farm products the past year, carrying the Department of Agriculture's farm price index as of February 15 to 111 per cent and the ratio of prices paid to prices received by farmers to 87 per cent of the five-year pre-war average of 100, or higher than at any time since June, 1930, plus Government benefit payments, accounts for the renewed interest in farm land as an investment.

Farmers in the seven states, all or parts of which comprise the Tenth District, received \$11,555,627 in rental and benefit

payments through the Agricultural Adjustment Administration in January. The distribution by states was as follows: Nebraska, \$3,254,377; Missouri, \$3,114,553; Kansas, \$3,069,730; Oklahoma, \$1,504,910; Colorado, \$435,581; New Mexico, \$141,493; and Wyoming, \$34,982. Corn-hog contracts accounted for \$8,795,174, wheat \$1,427,318, cotton \$1,327,835, and tobacco \$5,300 of the total payments.

PLANTING INTENTIONS: 1935 planting intentions, as analyzed and interpreted to a potential harvested acreage base by the Department of Agriculture, allowances being made for average influences affecting the planted acreage from now to harvest, indicate a larger crop acreage this year than in either of the two preceding years. The national total of eighteen important crops (including winter grains but excluding cotton) is expected to be in the neighborhood of 285,775,000 acres compared with the greatly reduced totals of 244,486,000 acres in 1934 and 277,890,000 acres in 1933. In 1932 the harvested acreage of these crops totaled 302,137,000 acres.

Commenting on the acreages the report said:

"Record acreages of grain sorghums and soybeans, fairly large acreages of beans and peanuts, about the usual acreages of potatoes, sweet potatoes, oats, barley, and rye, and moderate or below average acreages of most other field crops are indicated for this season. The prospective reduction in acreage below the level of 1932 appears to be due to several factors, including the crop control program, the unfavorable conditions for seeding in the plains region, local shortages of seed, the high cost of seed in comparison with present expectation of crop prices at harvest time, the reduction in feed requirements due to liquidation of live stock, and the financial difficulties of some farmers in the drought area."

The indicated 1935 acreage of crops for harvest, forecast by planting intentions, is here compared to the acreage planted and harvested in 1934 in the seven states of the Tenth District and the United States, as reported by the Crop Reporting Board of the United States Department of Agriculture, thousands omitted:

	SEVEN STATES			UNITED STATES		
	Indicated	Acreage		Indicated	Acreage	
		Planted	Harvested		Planted	Harvested
	1935	1934	1934	1935	1934	1934
Corn.....	23,254	23,429	18,494	95,692	95,319	87,486
Spring wheat	820	732	418	17,847	18,521	9,290
Oats.....	7,273	6,733	5,200	39,108	37,976	30,395
Barley.....	2,085	1,918	999	11,954	11,378	7,144
Flaxseed.....	67	55	53	1,845	1,499	974
Dry beans.....	716	724	268	1,909	1,867	1,378
Potatoes.....	376	423	346	3,272	3,427	3,303
Swt. potatoes	29	.....	30	766	.....	762
Gr. sorghums	4,495	.....	2,974	9,456	.....	7,569
Tame hay.....	7,777	.....	7,075	53,117	.....	51,495
Tobacco.....	7.1	.....	6.7	1,511	.....	1,335
Soybeans.....	687	.....	619	4,997	.....	4,107

### Live Stock

Live stock, although in only fair condition and generally thin as a result of light feeding and poor pastures, was favored by mild, open weather in February and the first three weeks of March and losses have not been heavy to date. Ranges were open, permitting grazing and the conservation of short feed supplies. Prospects for spring pastures and ranges are poor owing to the serious shortage of surface and sub-soil moisture and over-grazing, but late snows in the higher altitudes, particularly on the western slope, and rains in the eastern half of the District have been encouraging. Eastern Wyoming, eastern Colorado, northeastern New Mexico, western Kansas, western Oklahoma, and western Nebraska received little moisture and the shortage is serious. Most areas have sufficient stock water. Calf crop and lamb crop prospects are only fair depending much on early range feed and weather conditions the next sixty days. An active demand has developed for cattle and hogs and stockmen are encouraged by higher prices.

**MARKETING:** Reflecting reduced supplies, below normal receipts of all classes of meat animals except calves were recorded at the six principal market centers of the Tenth District in February. Receipts of cattle at these markets were 11 per cent, hogs 56 per cent, and sheep and lambs 25 per cent short of the ten-year average numbers, with calf marketings showing an increase of 24 per cent. All classes but sheep and lambs were in reduced supply as compared with January and calves were the only species to be more liberally offered than a year ago. Receipts of hogs were the lightest for any month in seventeen years of record; cattle for any February of record, 1933 excepted; and sheep and lambs for any like month since 1919, February, 1927, excepted.

The six markets received 17,992 horses and mules during February as against 15,453 in January, 14,894 in February, 1934, and 15,000 head as the average for the month the past ten years.

**PRICES:** Continuing their almost uninterrupted price advances since last December, fat cattle sold up to \$13.75 per hundredweight on the Kansas City market March 12, the best price since December, 1930, and hogs reached a top of \$9.70 March 11 when they were the highest since October, 1930. In contrast to these advances, prices of slaughter lambs slumped the forepart of March to the lowest levels since last December. Consumer resistance to higher prices and the Lenten season were contributing factors to a slow demand for dressed meat and a weakness in prices that developed toward the middle of March. The supply of beef, veal, and pork is moderate to light but that of lamb and mutton exceeds the demand.

February trade was featured by sharp price advances on hogs and medium and lower quality cattle, hogs closing about \$1.35 per hundredweight higher and cattle from 50 cents to \$1.50 higher. There was a halt in the sensational advances made by good and choice steers during January, and February prices were only a little higher than one month earlier. Sheep and lambs were steady to lower and were the only class of live stock to sell under a year ago; the top was \$8.75 on western lambs as compared with last year's price of \$10.

**FEEDING:** Shipments of stocker and feeder cattle, calves, and hogs, from four markets to the country, were heavier in February this year than last, cattle shipments increasing 41 per cent, calf shipments 35.4 per cent, and hog shipments 31.5 per cent. The out-movement of cattle was the largest for the month since 1931, hogs since 1930, and calves, 1930 excluded, of record. February purchases of sheep and lambs were the lightest since 1921.

With the heavy feeding season passing, remaining feed supplies, although very short, are more nearly sufficient for requirements than in recent months. Smaller live stock numbers, a mild, open winter, which reduced feed requirements to a minimum, heavy seedings of wheat and rye for pasture, and the utilization of all vegetation for feed, tended to alleviate

the serious shortage of feedstuffs. According to the Bureau of Agricultural Economics, "Domestic disappearance of corn for the period from July 1 through December, 1934, was only 63 per cent as great as during the corresponding period of each of the two preceding years, utilization of oats was only 64 per cent of last year, and 49 per cent of the quantity used in 1932, while disappearance of barley was about 86 per cent as great as during 1933 and 51 per cent of 1932."

**WOOL:** According to estimates of the Department of Agriculture, wool production in the United States totaled 418,158,000 pounds in 1934, 428,921,000 pounds in 1933, and 412,540,000 pounds in 1932. There were 45,192,000 sheep shorn in 1934 compared with 44,769,000 in 1933, and 44,431,000 in 1932. The 1934 totals do not include wool from the skins of 3,607,000 ewes purchased and killed by the Agricultural Adjustment Administration.

The accompanying table shows the estimated number of sheep shorn and the amount of wool produced in each of the seven states of the District and the United States for 1934, 1933, and 1932 (thousands omitted):

	Number of Sheep Shorn			Wool Production		
	1934	1933	1932	1934	1933	1932
Colorado.....	1,661	1,539	1,600	13,122	12,774	12,320
Kansas.....	467	505	463	3,328	3,461	3,168
Missouri.....	1,082	1,109	1,054	7,384	7,351	7,048
Nebraska.....	308	366	254	2,311	2,731	1,885
New Mexico.....	2,520	2,490	2,520	17,136	17,430	16,884
Oklahoma.....	160	148	145	1,312	1,154	1,102
Wyoming.....	3,496	3,240	3,463	33,212	29,808	31,513
Total seven states.....	9,694	9,397	9,499	77,805	74,709	73,920
Total United States....	45,192	44,769	44,431	357,658	364,721	345,350

**MEAT PACKING:** Operations at Tenth District meat packing establishments, reflecting the short supplies of meat animals, were unusually light in February. All departments showed losses from the January volume with only the slaughter of calves being above a year ago and exceeding the ten-year average for the month. Packers purchased fewer hogs at the six principal market centers, direct shipments included, during the month than in any month in seventeen years of record, total purchases falling 55 per cent below normal. Compared to the ten-year average, cattle slaughter, the lightest for any February in over seventeen years, declined 26 per cent and the slaughter of sheep and lambs, the smallest for the month since 1919, declined 32 per cent.

Similar reductions in meat packing operations throughout the United States are disclosed by the official reports of the number of meat animals slaughtered under Federal inspection.

Animals slaughtered under Federal Meat Inspection as reported by the Bureau of Agricultural Economics:

	Cattle	Calves	Hogs	Sheep
February 1935.....	659,987	389,521	2,408,826	1,136,873
January 1935.....	977,000	512,000	3,047,700	1,345,000
February 1934.....	732,638	437,999	3,433,419	1,159,117

#### FEBRUARY 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.....	91,521	19,722	*142,728	85,294	35,820	4,087	3,140	14,574	37,714	16,036	*131,174	64,363
Omaha.....	81,337	8,414	119,765	124,952	15,740	2,276	1,209	17,678	50,537	6,138	78,291	78,807
St. Joseph.....	23,534	6,565	61,052	94,554	3,826	432	2,280	11,783	17,249	5,796	55,956	78,094
Denver.....	19,783	5,663	50,327	144,501	5,701	2,469	716	2,366	10,436	3,831	33,176	16,071
Oklahoma City.....	32,608	9,426	28,990	9,135	-----	-----	-----	-----	10,414	7,676	25,349	4,568
Wichita.....	31,726	6,187	18,709	9,062	-----	-----	-----	-----	7,088	3,789	17,990	8,526
February 1935.....	280,509	55,977	421,571	467,498	61,087	9,264	7,345	46,401	133,438	43,266	341,036	250,429
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
February 1934.....	319,295	49,197	700,574	545,762	43,315	6,844	5,587	50,650	197,206	36,999	592,158	327,928
Two months 1935.....	696,651	133,830	880,208	919,407	142,138	18,969	13,893	94,931	355,501	106,561	724,275	517,167
Two months 1934.....	706,085	102,912	1,770,078	1,115,591	102,869	21,565	12,449	111,534	433,421	78,795	1,508,494	714,601

\*Includes 81,659 hogs shipped direct to packers' yards.

### Cold Storage Holdings

On March 1 United States cold storage holdings of pork, eggs, and butter were below a year ago and the five-year average for the season, whereas inventories of beef, lamb and mutton, poultry, miscellaneous meats, and cheese were somewhat larger. Stocks of lard, which declined 37 per cent from a year ago, were still 7.5 per cent above the March 1 five-year average.

February witnessed the abnormal condition of a net withdrawal of lard from storage amounting to 1,989,000 pounds as against a five-year average accumulation for the month of 11,832,000 pounds. Holdings of pork, which normally increase about 80,000,000 pounds during February, were only 3,331,000 pounds larger on March 1 than on February 1. The seasonal out-movement of all other classes of meat, eggs (cased and frozen combined), and cheese was somewhat larger than usual and, with the exception of poultry, heavier than a year ago. Stocks of butter are exceptionally low although February withdrawals were considerably short of the February, 1934, or five-year average volume. Rapidly advancing prices curtailed the consumption of butter and increased that of substitutes.

The new storage season for eggs theoretically started March 1, with old supplies cleaned out and the trade proceeding cautiously in accumulating holdings at prevailing prices. Comparatively light receipts of fresh eggs and higher prices for meats and other competitive foods are strengthening factors in present egg prices, but with hatchery sales of baby chicks running well above a year ago, presaging increased fall production of eggs, storage interests are inclined to delay purchases.

Cold storage holdings in the United States, on the dates indicated, as reported by the Bureau of Agricultural Economics, United States Department of Agriculture:

	*Mar. 1 1935	Feb. 1 1935	Mar. 1 1934	Mar. 1 1934	5-Yr. Av.
Beef, lbs.....	111,149	127,097	64,745	63,017	63,017
Pork, lbs.....	671,315	667,984	733,956	758,929	758,929
Lamb and mutton, lbs.....	3,502	3,819	3,052	3,100	3,100
Poultry, lbs.....	106,242	122,285	101,776	103,047	103,047
**Turkeys, lbs.....	22,970	23,516	19,177	14,344	14,344
Miscellaneous meats, lbs.....	89,633	109,715	65,548	73,510	73,510
Lard, lbs.....	110,508	112,497	176,044	102,796	102,796
Eggs, cases.....	32	39	90	201	201
Eggs, frozen (case equivalent).....	1,126	1,506	3,119	1,467	1,467
Butter, creamery.....	7,981	18,907	36,853	28,176	28,176
Cheese, all varieties, lbs.....	70,144	81,220	67,819	63,594	63,594

\*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.

### Zinc and Lead

Deliveries of zinc ore, from mines in Missouri, Kansas, and Oklahoma during the four weeks ended March 2, were larger and those of lead ore smaller than in the preceding four weeks. Shipments of both classes of ore were considerably heavier than in the corresponding four weeks of 1934, zinc ore tonnage increasing 47.2 per cent and lead ore tonnage 49 per cent.

Lead ore shipments lagged until the final week of the month, major companies refusing to part with concentrates at prevailing prices. The desire to avoid March 1 tax assessments stimulated shipments from Kansas.

The tonnage and value of zinc ore and lead ore shipments from mines in the Tri-State district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	22,643	\$ 588,718	1,818	\$ 59,216
Kansas.....	8,254	214,604	845	27,811
Missouri.....	1,361	35,386	65	2,113
4 Weeks ended Mar. 2, 1935.....	32,258	\$ 838,708	2,728	\$ 89,140
4 Weeks ended Feb. 2, 1935.....	28,455	739,830	3,393	122,148
4 Weeks ended Mar. 3, 1934.....	21,912	647,470	1,831	77,817

Zinc ore prices were unchanged at \$26 per ton for carload lots and lead ore recovered \$1 of the \$4 per ton cut made the final week of January, closing at \$33 per ton. A year ago zinc ore sold at \$30 and lead ore at \$42.50 per ton.

### Petroleum

Estimates based on the weekly reports of the American Petroleum Institute indicate the production of crude oil in the five oil producing states of the District totaled 19,742,000 barrels in February, a daily average of 705,100 barrels. These totals reflect decreases of 11.6 per cent in gross production and 2.2 per cent in daily average production when compared to the January output as officially reported by the Bureau of Mines. Production was larger than a year ago in all states but Oklahoma, the gain for the District amounting to 4.6 per cent. Daily average production fell 19,000 barrels below Federal allowables, Colorado and Kansas exceeding their quota. Effective March 1, the Federal allowable for the District was reduced from 724,100 barrels to 718,600 barrels per day.

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

	*Feb. 1935 Barrels	Jan. 1935 Barrels	Feb. 1934 Barrels
Oklahoma.....	13,403,000	15,216,000	13,495,000
Kansas.....	3,985,000	4,246,000	3,217,000
Wyoming.....	923,000	1,103,000	893,000
Colorado.....	115,000	116,000	83,000
New Mexico.....	1,316,000	1,663,000	1,186,000
Total five states.....	19,742,000	22,344,000	18,874,000
Total United States.....	70,569,000	78,715,000	65,450,000

Petroleum markets gained strength with added assurance of "hot" oil production control. Mid-continent crude oil prices were unchanged at schedules ranging from 86 cents to \$1.08 per barrel per gravity basis. Gasoline was in demand at strong to higher prices and cold weather held furnace oils up. Kerosene was steady but naturals were weak.

The search for new crude oil reserves continues at an active rate over a wide area, Kansas being the outstanding center of new field operations. Activity in Oklahoma and New Mexico is also widely scattered. Several new pools have been opened and those already discovered are being extended.

A summary of February field operations follows:

	Wells Completed	Barrels Daily New Production	Dry Wells	Gas Wells	Rigs-Wells Drilling
Oklahoma.....	109	37,719	26	11	554
Kansas.....	93	59,141	15	4	260
Wyoming.....	0	0	0	0	75
Colorado.....	0	0	0	0	27
New Mexico.....	17	22,433	6	1	108
February 1935.....	219	119,293	47	16	1,024
January 1935.....	223	101,003	73	13	1,023
February 1934.....	173	46,694	39	14	841

### Cement

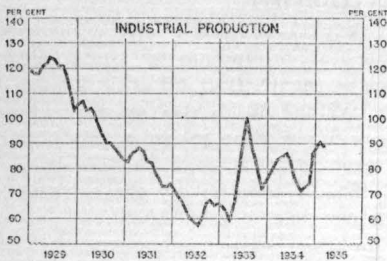
During February, mills in the District produced 332,000 barrels of finished Portland cement, shipped 398,000 barrels, and had stocks on hand at the end of the month of 2,385,000 barrels. Production, as compared with February, 1934, declined 4.6 per cent and shipments declined 1.5 per cent. Stocks at mills on February 28, 1935, were 16.6 per cent larger than a year ago and the highest for the date in three years.

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

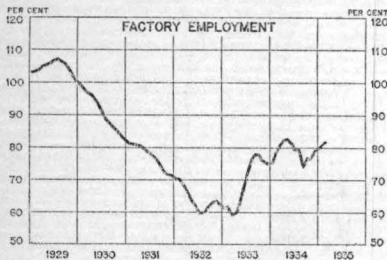
	TENTH DISTRICT			UNITED STATES		
	Production	Shipments	Stocks	Production	Shipments	Stocks
February 1935..	332	398	2,385	3,053	2,952	21,948
January 1935..	468	387	2,451	3,202	2,846	21,847
February 1934..	348	404	2,045	4,168	2,952	20,762

## Business Conditions in the United States

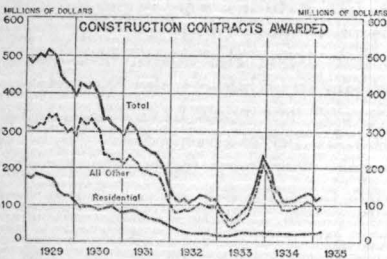
By the Federal Reserve Board



Index of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure: February, 89.



Index of factory employment, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure: February, 81.9.



Three month moving averages of F. W. Dodge data for 37 eastern states, adjusted for seasonal variation. Latest figure based on data for December and January and estimate for February: total, 114.2; residential, 24.2; all other, 90.0.



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

In February industrial production increased by less than the usual seasonal amount, following sharp advances in December and January. Wholesale prices of many leading commodities showed little change in February and declined in the early part of March; prices of live stock and meats, however, advanced further in February and continued at relatively high levels during the first three weeks of March.

**PRODUCTION AND EMPLOYMENT:** Daily average output of basic industrial commodities increased in February by an amount smaller than is usual at this season and the Federal Reserve Board's index, which makes allowance for seasonal variations, declined from 91 per cent of the 1923-25 average in January to 89 per cent in February. At steel mills activity increased further during the early part of February; later in the month and in the first three weeks of March, however, activity declined, contrary to seasonal tendency. In the automobile industry production continued to increase and the output indicated for the first quarter is larger than in the corresponding period of any other year since 1929. Lumber production remained at a low level. At textile mills activity in February declined somewhat from the relatively high rate of the preceding month. In the meat packing industry output continued to decline.

Factory employment increased between the middle of January and the middle of February by more than the usual seasonal amount, reflecting substantial increases in working forces in the automobile, machinery, iron and steel, and wearing apparel industries and smaller increases in many other lines. At meat packing establishments employment continued to decline and at tobacco factories it showed less than the usual seasonal growth. Payrolls at manufacturing establishments also increased considerably in February. In non-manufacturing industries employment and payrolls showed little change.

Total value of construction contracts awarded in the period from January 1 to March 15, as reported by the F. W. Dodge Corporation, was smaller than in the corresponding period last year, reflecting a reduction in the volume of public projects. The value of contracts awarded for residential building during this period showed a slight increase over the low level of a year ago.

**DISTRIBUTION:** Daily average volume of revenue freight-car loadings showed a seasonal increase in February and little change in the first half of March. Department store sales increased in February, a month when there is usually little change, and the combined total for the first two months of the year was larger than a year ago by 5 per cent.

**WHOLESALE COMMODITY PRICES:** During the period from the beginning of February to the middle of March there were wide movements in prices of many individual commodities, while the general level of wholesale prices, as measured by the Bureau of Labor Statistics index, showed little change. In the third week of March prices of cotton and other textiles, grains other than wheat, coffee, rubber and tires, scrap steel and tin were considerably lower than at the beginning of February, while prices of live stock, meats and sugar were higher.

**BANK CREDIT:** During the four weeks ended March 20 member bank reserve balances declined by \$280,000,000, principally in consequence of an increase in Treasury deposits with Federal Reserve banks built up in connection with March 15 fiscal operations. Excess reserves of member banks declined to about \$1,950,000,000.

Demand deposits (net) of weekly reporting member banks in leading cities increased further by \$380,000,000 during the four weeks ended March 13. The balances of other banks with reporting banks increased by \$100,000,000 while Government deposits declined, reflecting the withdrawal of funds from depository banks. Loans and investments of reporting banks increased by \$275,000,000. There was a further growth of \$85,000,000 in holdings of direct obligations of the United States Government and a smaller increase in obligations guaranteed by the Government. Loans to brokers and dealers in securities increased by \$130,000,000, while other loans showed little change.

Yields on United States Government obligations declined slightly further, and open-market money rates continued at a low level.