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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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**C**ROP production in the District during 1935, although generally below the 1928 to 1932 average, was considerably above the short production of 1934, and the farm value of this season's crops was nearly 30 per cent greater than the farm value of crops harvested in the District in 1934, despite prevailing lower price levels. Rental and benefit payments to farmers were smaller than in 1934, but income from crop production in the United States was estimated to exceed income in 1934 by nearly 12 per cent. The ratio of prices received by farmers to prices paid for commodities bought advanced one point from November 15 to December 15 to 90 per cent of the pre-war level as compared to 80 per cent on December 15, 1934. Late December and early January snows were beneficial to winter wheat, the seeded acreage of which was somewhat above the average in the District, but additional moisture was needed in the western and northern sections of the District.

Marketings of oats and barley exceeded the average volume during 1935, but marketings of wheat, corn, rye, and kafir rye were below average in volume, although receipts of wheat and rye were heavier than in 1934. Farm stocks of oats on January 1, 1936, were above the average holdings, but reserves of wheat and corn were at low levels.

Live stock marketings during 1935 were below marketings in 1934, which were increased by drought liquidations and Government purchases, and were generally below the average volume. This was particularly true of marketings of hogs. Live stock returns were better than in 1934 and values were at the highest levels in five years. Somewhat larger than average feed supplies per animal unit were indicated for the 1935-1936 season and there was an increase in the number of cattle and sheep in the District on feed for market as compared to the number on feed January 1, 1935. There was a prospective increase of nearly 30 per cent in the number of sows to farrow in the District in the spring of 1936 over farrowings in 1935. Winter ranges, cattle, and sheep continued in good condition.

Debits by banks to individual accounts were 11.3 per cent greater in 1935 than in 1934 and savings deposits recorded an increase of 5.9 per cent during the year. Business failures continued at a low level. The dollar volume of department store sales increased 5.9 per cent over 1934 and was the highest since 1931. Wholesalers' sales recorded a gain of 1.2 per cent during the year. Sales of lumber in board feet were 24.6 per cent larger than in 1934, and building activity in the District, although still at a low level, showed improvement throughout the year.

Flour production was smaller than in 1934 and was about 8 per cent below the average production. Meat packing establishments operated on a reduced scale as compared to 1934, although commercial slaughter was above the average volume

## BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT

Percentages of Increase, or Decrease (—), for December 1935 over November 1935 and December 1934 and for the Year 1935 over the Year 1934.

	December 1935 compared to		Year 1935 compared to Year 1934
	Nov. 1935	Dec. 1934	
<b>Banking</b>			
Payments by check, 29 cities.....	1.3	12.5	11.3
F. R. Bank check collections.....	8.5	15.9	10.3
Loans, 52 member banks.....	3.0	10.5	.....
Investments, 52 member banks.....	— 2.5	1.2	.....
Adjusted dem. depts., 52 member banks	0.1	17.9	.....
Time deposits, 52 member banks.....	— 0.8	3.1	.....
Savings deposits, 45 selected banks.....	— 0.7	5.9	.....
Savings accounts, 45 selected banks.....	0.9	1.2	.....
<b>Distribution</b>			
Wholesalers' sales, 5 lines combined.....	— 9.6	7.8	1.2
Retailers' sales, 32 department stores....	56.0	3.3	5.9
Lumber sales, 155 retail yards.....	—21.1	43.3	24.6
Life insurance, written.....	27.8	1.1	—6.6
<b>Construction</b>			
Building contracts awarded, value.....	36.0	176.1	27.1
Residential contracts awarded, value....	111.1	590.1	83.5
Building permits in 17 cities, value.....	101.4	267.8	87.3
<b>Production</b>			
Flour.....	—13.6	—13.7	— 0.2
Crude petroleum.....	— 1.3	5.5	7.0
Soft coal.....	— 0.8	1.4	13.1
Zinc ore (shipped) Tri-State district....	5.6	40.5	26.7
Lead ore (shipped) Tri-State district....	26.3	114.4	45.1
Cement.....	0.4	19.9	4.5
<b>Grain receipts, 5 markets</b>			
Wheat.....	—22.1	16.2	2.1
Corn.....	15.7	132.8	—44.5
Oats.....	—31.8	8.6	108.7
<b>Live stock receipts, 6 markets</b>			
Cattle.....	—13.1	7.0	—29.8
Calves.....	—19.2	— 3.7	—37.3
Hogs.....	37.6	—40.9	—56.0
Sheep.....	— 4.4	40.1	—10.8
Horses and mules.....	—11.7	—23.2	— 6.9
<b>Meat packing, 6 markets</b>			
Cattle.....	8.5	—14.4	—34.1
Calves.....	— 7.2	—23.0	—38.6
Hogs.....	49.8	—38.8	—57.4
Sheep.....	34.0	43.0	—12.8
<b>Stocker and feeder shipments, 4 markets</b>			
Cattle.....	—48.8	118.1	— 4.6
Calves.....	—50.1	117.5	12.7
Hogs.....	42.1	—32.8	—43.5
Sheep.....	—70.3	48.0	— 1.9

with the exception of hog slaughter. The production of crude petroleum in 1935 exceeded production in 1934 by 7 per cent and was the highest since 1930. Bituminous coal production increased 13.1 per cent to the highest level in four years. The tonnage and value of zinc and lead shipments were the largest since 1930.

## Financial

**MEMBER BANK OPERATIONS:** Loans and discounts at fifty-two reporting member banks in the District increased 3 per cent from December 4 to December 31 and were 10.5 per cent larger than on January 2, 1935. Investment holdings declined 2.5 per cent during the four-week period but were slightly larger than a year ago, reflecting an increase in holdings of obligations fully guaranteed by the United States Government as holdings of United States Government securities and other securities declined.

Adjusted demand deposits increased fractionally from December 4 to December 31 and were 17.9 per cent larger than on January 2, 1935. Time deposits and inter-bank deposits declined slightly in four weeks but increased 3.1 and 17.1 per cent, respectively, during the year. United States Government deposits were substantially larger than four weeks earlier but were 42.7 per cent smaller than fifty-two weeks earlier.

The principal resource and liability items of the consolidated weekly condition statements of the fifty-two reporting banks, for the three dates of comparison:

	Dec. 31, 1935	Dec. 4, 1935	Jan. 2, 1935
Loans and investments—total..	\$624,118,000	\$627,656,000	\$597,856,000
Loans and discounts—total.....	227,899,000	221,291,000	206,301,000
Secured by stocks and bonds	47,837,000	47,243,000	55,623,000
All other loans and discounts	180,062,000	174,048,000	150,678,000
Investments—total.....	396,219,000	406,365,000	391,555,000
U. S. securities direct.....	232,393,000	240,356,000	255,098,000
Obligations fully guaranteed by the U. S. Government..	46,742,000	51,169,000	15,763,000
Other securities.....	117,084,000	114,840,000	120,694,000
Reserve with F. R. Bank.....	104,502,000	107,035,000	91,075,000
Demand deposits—adjusted.....	447,173,000	446,873,000	379,394,000
Time deposits.....	144,557,000	145,685,000	140,181,000
U. S. Government deposits.....	15,614,000	8,485,000	27,227,000
Inter-bank deposits:			
Domestic banks.....	358,203,000	364,900,000	305,995,000
Foreign banks.....	188,000	123,000	81,000

**RESERVE BANK OPERATIONS:** Bills discounted, although showing an increase over a year ago, continued at a low level, and the small holdings of bills purchased declined during the year. Industrial advances were relatively unchanged between December 4 and December 31 but were substantially larger than on January 2, 1935. Holdings of United States Government securities increased fractionally in four weeks and 16.2 per cent in fifty-two weeks.

Federal reserve note circulation increased slightly from December 4 to December 31 and was 20.6 per cent greater than on January 2, 1935. Member banks' reserve deposits declined 1.5 per cent during the four weeks but increased 7.8 per cent during the year.

The principal resource and liability items of the weekly condition statements of the Federal Reserve Bank of Kansas City and branches, for the three dates of comparison:

	Dec. 31, 1935	Dec. 4, 1935	Jan. 2, 1935
Total reserves.....	\$209,022,402	\$211,640,515	\$192,744,618
Bills discounted.....	618,744	631,343	129,567
Bills purchased.....	128,133	126,194	154,015
Industrial advances.....	1,145,690	1,145,155	433,292
U. S. securities.....	107,344,200	106,844,200	92,344,250
Total bills and securities.....	109,417,767	108,927,892	93,061,124
Total resources.....	358,126,604	356,447,793	321,077,228
F. R. notes in circulation.....	141,690,210	140,112,210	117,524,175
Member banks' reserve deposits	168,793,055	171,346,844	156,583,963

The discount rate of the Federal Reserve Bank of Kansas City, on all classes of paper and all maturities, remains unchanged at 2 per cent.

**RESERVE BANK CHECK COLLECTIONS:** The dollar volume of check collections through this bank and branches

was 8.5 per cent greater in December than in the preceding month and 15.9 per cent greater than in December, 1934. The number of checks handled increased 11.9 per cent in December and was 12.2 per cent larger than in the corresponding month a year ago. The dollar volume and the number of items increased 10.3 and 4.5 per cent, respectively, during 1935 as compared to 1934 and were at the highest level since 1930.

Check collections through the Federal Reserve Bank of Kansas City and branches at Omaha, Denver, and Oklahoma City:

	ITEMS		AMOUNT	
	1935	1934	1935	1934
December.....	6,163,231	5,494,616	\$ 926,194,000	\$ 799,095,000
November.....	5,507,842	5,196,236	853,340,000	772,795,000
Year.....	64,780,383	61,974,766	10,203,367,000	9,247,760,000

**BANK DEBITS:** Debits by banks to individual accounts in twenty-nine reporting cities in the District increased slightly during the four weeks ended January 1, 1936, and were 12.5 per cent greater than during the corresponding four-week period ended January 2, 1935. The total for the year 1935 was 11.3 per cent above the total for 1934 and exceeded the 1933 total by 28.5 per cent.

## PAYMENTS BY CHECK

	FIFTY-TWO WEEKS ENDED		Per cent Change
	Jan. 1, 1936	Jan. 2, 1935	
Albuquerque, N. M.....	\$ 125,264,000	\$ 104,464,000	19.9
Atchison, Kans.....	39,722,000	35,672,000	11.4
Bartlesville, Okla.....	263,861,000	251,980,000	4.7
Casper, Wyo.....	58,061,000	48,923,000	18.7
Cheyenne, Wyo.....	82,638,000	69,504,000	18.9
Colorado Springs, Colo.....	154,254,000	134,014,000	15.1
Denver, Colo.....	1,692,289,000	1,471,668,000	15.0
Enid, Okla.....	112,796,000	107,151,000	5.3
Fremont, Nebr.....	28,515,000	26,614,000	7.1
Grand Junction, Colo.....	30,313,000	24,020,000	26.2
Guthrie, Okla.....	18,838,000	15,981,000	17.9
Hutchinson, Kans.....	147,895,000	136,427,000	8.4
Independence, Kans.....	25,974,000	50,612,000	-48.7
Joplin, Mo.....	99,252,000	86,240,000	15.1
Kansas City, Kans.....	133,717,000	120,298,000	11.2
Kansas City, Mo.....	3,374,161,000	3,104,337,000	8.7
Lawrence, Kans.....	38,598,000	35,488,000	8.8
Lincoln, Nebr.....	301,180,000	274,507,000	9.7
Muskogee, Okla.....	84,029,000	79,218,000	6.1
Oklahoma City, Okla.....	992,964,000	849,431,000	16.9
Okmulgee, Okla.....	32,280,000	28,572,000	13.0
Omaha, Nebr.....	1,563,175,000	1,443,784,000	8.3
Pittsburg, Kans.....	40,578,000	37,343,000	8.7
Pueblo, Colo.....	168,491,000	166,597,000	1.1
Salina, Kans.....	97,350,000	87,155,000	11.7
St. Joseph, Mo.....	317,642,000	310,999,000	2.1
Topeka, Kans.....	179,299,000	168,449,000	6.4
Tulsa, Okla.....	1,223,936,000	1,027,570,000	19.1
Wichita, Kans.....	493,630,000	415,664,000	18.8
Total 29 cities, 52 weeks.....	\$ 11,920,702,000	\$ 10,712,682,000	11.3
Total 29 cities, 4 weeks.....	970,427,000	862,655,000	12.5
U. S. 270 cities, 52 weeks.....	402,010,654,000	355,566,509,000	13.1
U. S. 270 cities, 4 weeks.....	34,106,171,000	29,448,195,000	15.8

**SAVINGS:** Savings deposits at forty-five selected banks in leading cities of the District declined as usual during December but were 5.9 per cent greater than on January 1, 1935. The number of depositors showed a slight increase during December and an increase of 1.2 per cent during the year.

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

	Savings Accounts	Savings Deposits
January 1, 1936.....	404,217	\$124,394,028
December 1, 1935.....	400,712	125,230,346
January 1, 1935.....	399,539	117,417,362

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

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED		
	Dec. 1935 compared to Dec. 1934	Year 1935 compared to Year 1934	Dec. 31, 1935 compared to Nov. 30, 1935	Dec. 31, 1934	December		Year		Dec. 31, 1935 compared to Nov. 30, 1935	Dec. 31, 1934	December 1935 compared to Dec. 1934		
					1935	1934	1935	1934			Nov. 1935	Dec. 1934	
Kansas City.....	4	9.4	10.7	-22.1	-7.4	.53	.45	3.78	2.91	26.4	13.9	-12.9	9.1
Denver.....	4	2.2	6.3	-20.0	13.9	.51	.55	3.83	3.72	23.3	6.7	0.3	12.1
Oklahoma City	3	1.4	1.6	-25.1	5.6	.56	.58	4.46	4.42	8.0	4.4	-9.2	5.7
Tulsa.....	3	1.3	4.0	-26.4	13.1	.57	.64	4.48	4.48	20.0	6.9	-3.6	14.5
Wichita.....	3	1.8	8.8	-17.2	10.1	.41	.44	3.45	3.47	11.7	3.7	Even	15.6
Other cities.....	15	1.2	3.1	-19.1	0.1	.42	.42	3.14	3.09	15.4	3.1	3.1	7.0
Total.....	32	3.3	5.9	-21.2	3.7	.49	.49	3.72	3.44	19.0	6.7	-3.5	9.9

NOTE: Percentage of collections in December on open accounts November 30, all stores reporting 46.1. Collections same month last year 46.2.

Trade

RETAIL: Retail distribution, as reflected by the dollar volume of sales at thirty-two reporting department stores in leading cities of the District, showed about the normal seasonal increase from November to December and was 3.3 per cent above the sales volume in December, 1934. Sales during 1935 exceeded the total in 1934 by 5.9 per cent and were at the highest level since 1931.

Month-end stocks declined by about the usual seasonal amount from November 30 to December 31 but were 3.7 per cent above inventories of December 31, 1934.

Collections on open accounts during December averaged 46.1 per cent of amounts receivable at the close of the preceding month as compared to 48.3 per cent in November and 46.2 per cent in December, 1934. Installment collections averaged 15.9 per cent in December, 16.6 per cent in November, and 15.5 per cent in December, 1934.

According to preliminary estimates of the Bureau of Foreign and Domestic Commerce, daily average sales of general merchandise in small towns and rural areas in the United States for the year 1935 were about 19 per cent higher in dollar volume than in 1934 and were the highest for any year since 1929. Daily average sales of variety stores and chain grocery stores were about 1 and 4 per cent, respectively, above 1934 and were the highest since 1931.

WHOLESALE: Wholesale distribution, as reflected by the combined dollar volume of five representative lines reporting to this bank, increased 7.8 per cent as compared to December, 1934. The December sales volume declined 9.6 per cent, or somewhat more than the usual seasonal amount, from November. Sales during the year were 1.2 per cent greater than in 1934.

Sales of dry goods, groceries, and furniture declined from November to December, but sales of hardware and drugs increased, and all lines except dry goods recorded increases over December, 1934. During the year, sales of hardware increased 3.1, furniture 18.5, and drugs 4 per cent, but sales of dry goods and groceries declined 8.7 and 0.7 per cent, respectively.

Stocks of merchandise of the five lines combined declined 6.7 per cent from November 30 to December 31 but were 3.8 per cent larger than on December 31, 1934. Stocks of dry goods, groceries, furniture, and drugs declined during December, while stocks of hardware increased. Inventories of hardware,

furniture, and drugs were larger than one year earlier, but inventories of dry goods and groceries were smaller.

Life Insurance

Sales of new paid-for ordinary life insurance in the seven states whose areas or parts thereof comprise the District increased from November to December and were slightly above sales in December, 1934. Sales for the year 1935 declined 6.6 per cent as compared to 1934.

Life insurance sales reported to the Life Insurance Sales Research Bureau by companies representing 90 per cent of the total legal reserve ordinary life insurance outstanding in the United States, thousands omitted:

	Dec. 1935	Nov. 1935	Dec. 1934	Year 1935	Year 1934
Colorado.....	\$ 5,962	\$ 3,985	\$ 5,188	\$ 52,256	\$ 57,015
Kansas.....	5,993	5,041	5,821	60,858	64,393
Missouri.....	15,437	13,156	16,584	176,524	199,444
Nebraska.....	5,198	4,204	4,537	52,372	51,353
New Mexico.....	777	719	920	8,589	8,379
Oklahoma.....	7,739	5,185	7,919	65,888	66,647
Wyoming.....	1,116	741	797	9,467	8,737
Seven states.....	\$ 42,222	\$ 33,031	\$ 41,766	\$ 425,954	\$ 455,968
United States.....	575,600	494,705	589,845	6,181,255	6,182,765

Lumber

Retail lumber sales at 155 reporting yards in the District declined during December by less than the usual seasonal amount and were 43.3 per cent greater in board feet than in December, 1934. Sales for the year exceeded the 1934 total by 24.6 per cent. Dollar sales of all materials were smaller than in November but were larger than in December, 1934.

Stocks of lumber increased 3.4 per cent from November 30 to December 31 and were 12.8 per cent above stocks on hand one year earlier. Collections during December averaged 41.6 per cent of amounts outstanding at the close of the preceding month as compared to a ratio of 40.8 per cent in November and 35.5 per cent in December, 1934.

December business at the 155 reporting yards:

	December 1935 compared to November 1935	December 1934
Sales of lumber, board feet.....	-21.1	43.3
Sales of all materials, dollars.....	-20.6	29.6
Stocks of lumber, board feet.....	3.4	12.8
Outstandings, end of month.....	-12.1	28.3

According to reports of the National Lumber Manufacturers Association, lumber production in the United States during

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	SALES		OUTSTANDINGS		AMOUNTS COLLECTED		STOCKS		
	Dec. 1935 compared to		Dec. 31, 1935 compared to		Dec. 1935 compared to		Dec. 31, 1935 compared to		
	Nov. 1935	Dec. 1934	Nov. 30, 1935	Dec. 31, 1934	Nov. 1935	Dec. 1934	Nov. 30, 1935	Dec. 31, 1934	
Dry goods.....	5	-34.0	-6.7	-23.0	-1.6	12.6	-2.3	-7.9	-6.3
Groceries.....	5	-9.7	6.0	-13.4	3.5	-1.3	10.8	-10.1	-0.8
Hardware.....	8	0.7	12.5	-5.9	4.0	14.2	13.5	3.1	5.6
Furniture.....	4	-17.6	4.3	-14.4	15.4	14.2	22.2	-6.1	27.2
Drugs.....	6	0.7	14.0	-11.6	11.1	17.9	16.3	-15.1	10.2

1935 exceeded production in 1934 by about 25 per cent. Lumber shipments during the year were 1 per cent above production and were 29 per cent above shipments during 1934. Orders booked in 1935 were 3 per cent above production and were 31 per cent above orders booked in 1934.

### Building

The value of total building contracts awarded and of residential contracts awarded in the Tenth District, according to statistics of the F. W. Dodge Corporation, increased from November to December and was substantially above the value of awards in December, 1934, with residential awards showing relatively greater improvement. The value of total building contracts awarded during 1935 was 27.1 per cent, and of residential contracts awarded 83.5 per cent, larger than in 1934 and awards, although representing only about half the average volume during the past eight years, were at the highest level since 1931.

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

#### TOTAL BUILDING CONTRACTS AWARDED

	TENTH DISTRICT		UNITED STATES	
	1935	1934	1935	1934
December.....	\$15,071,942	\$ 5,458,156	\$ 264,136,500	\$ 92,723,700
November.....	11,079,025	4,958,079	188,115,000	111,740,800
Year.....	89,845,201	70,693,799	1,845,207,800	1,545,762,300

	TENTH DISTRICT		UNITED STATES	
	1935	1934	1935	1934
December.....	\$ 2,629,300	\$ 380,998	\$ 45,140,100	\$ 14,550,500
November.....	1,245,541	668,791	39,695,200	19,924,700
Year.....	18,374,958	10,013,324	478,895,800	249,070,900

The number of permits issued by building departments in seventeen Tenth District cities declined during December, but the estimated cost of construction increased, and both permits and expenditures were above December, 1934. Permits and expenditures during 1935, although still at a low level, increased as compared to 1934 and were the highest since 1931.

#### BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1935	1934	1935	1934
Albuquerque, N. M.....	803	650	\$ 775,025	\$ 675,577
Cheyenne, Wyo.....	464	307	902,617	172,851
Colorado Springs, Colo.....	386	288	373,444	559,468
Denver, Colo.....	3,632	2,950	5,065,836	2,236,495
Joplin, Mo.....	168	133	282,690	87,385
Kansas City, Kans.....	366	337	1,920,547	264,030
Kansas City, Mo.....	2,552	2,143	4,467,100	1,823,700
Lincoln, Nebr.....	1,371	1,161	931,349	482,686
Oklahoma City, Okla.....	1,484	1,065	3,285,941	1,757,106
Omaha, Nebr.....	1,156	868	1,634,375	1,952,432
Pueblo, Colo.....	543	475	298,894	165,677
Salina, Kans.....	161	106	145,039	90,265
Shawnee, Okla.....	154	123	129,873	331,418
St. Joseph, Mo.....	222	191	315,510	426,250
Topeka, Kans.....	632	435	971,630	303,290
Tulsa, Okla.....	967	757	1,572,230	971,696
Wichita, Kans.....	1,867	807	1,251,181	686,905
Total 17 cities, year.....	16,928	12,796	\$24,323,281	\$12,987,231
Total 17 cities, December.....	923	793	2,853,134	775,778
Total 17 cities, November.....	1,124	1,052	1,416,389	1,237,817

### Flour Milling

Flour mill operations in the District averaged 50 per cent of full-time capacity during December as compared to 57.8 per cent in November and 60 per cent in December, 1934, and production declined somewhat more than seasonally from November and 13.7 per cent from December, 1934. Mill operations during 1935 averaged 60 per cent of full-time capacity as compared to 60.5 per cent in 1934, and production for the year was slightly below that of 1934 and about 8 per cent below the ten-year average.

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

	Dec. 1935	Nov. 1935	Dec. 1934	Year 1935	Year 1934
	Barrels	Barrels	Barrels	Barrels	Barrels
Atchison.....	92,488	114,241	93,944	1,353,274	1,404,833
Kansas City.....	464,196	514,011	457,750	6,070,468	5,856,752
Salina.....	132,747	159,205	137,490	1,854,485	1,767,016
Wichita.....	117,355	109,382	173,474	1,893,090	1,799,057
Outside.....	753,071	907,859	935,693	11,284,757	11,674,024
Total.....	1,559,857	1,804,698	1,808,351	22,456,074	22,501,682
*United States.....	4,770,847	5,587,065	5,011,004	62,287,460	64,256,908

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

An advance in wheat prices during December, with a subsequent increase in flour prices, stimulated some demand for flour, but flour buying was otherwise inactive during the month, reflecting a dull holiday and pre-inventary demand and the unwillingness of buyers to accumulate stocks pending the processing tax decision. Prices of bran advanced during the month with an improvement in demand and limited offerings, but prices of shorts declined.

### Grain Marketing

Receipts of wheat, oats, rye, and barley at the five principal markets of the District during 1935 were heavier than in 1934, but receipts of corn and kafir declined. Marketings of oats and barley during the year were 16.9 and 21.1 per cent, respectively, above the ten-year average, but marketings of wheat were 41.8, corn 46.2, rye 28.6, and kafir 81.9 per cent below the average.

Receipts of grain at the five markets:

	Wheat	Corn	Oats	Rye	Barley	Kafir
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Hutchinson.....	13,602,600	27,500	7,500	1,200	3,750	114,000
Kansas City.....	49,700,800	18,054,000	3,806,000	322,500	747,200	635,600
Omaha.....	16,488,680	7,619,910	7,688,000	491,400	2,260,800	.....
St. Joseph.....	6,864,000	3,361,500	4,760,000	28,500	127,750	13,500
Wichita.....	15,807,000	237,900	93,000	.....	5,200	33,800
Year 1935.....	102,463,080	29,300,810	16,354,500	843,600	3,144,700	797,300
Year 1934.....	100,363,603	52,815,200	7,838,000	515,300	532,050	1,382,800
Year 1933.....	96,091,750	50,050,750	10,695,300	866,300	961,600	1,664,000
Year 1932.....	167,335,250	17,855,450	7,649,000	360,400	833,600	2,559,800
Year 1931.....	278,511,800	46,582,750	9,163,600	269,600	1,654,200	2,465,600
Dec. 1935.....	3,768,550	5,133,500	867,000	47,400	341,850	91,900
Nov. 1935.....	4,835,221	4,435,400	1,271,000	71,200	425,250	74,000
Dec. 1934.....	3,244,303	2,205,150	798,500	4,500	33,600	65,300

Prices of wheat, corn, oats, and rye recorded net increases during December, with barley unchanged and kafir slightly lower. Increased crop production during 1935 resulted in materially lower prices for all grains except wheat as compared to December 31, 1934.

Cash grain prices at Kansas City:

	Jan. 15	Dec. 31	Nov. 30	Dec. 31	Dec. 30	Dec. 31
	1936	1935	1935	1934	1933	1932
No. 1 hard, dk. wheat, bu.....	\$1.08	\$1.08½	\$1.04½	\$1.01¼	\$ .79½	\$ .40
No. 2 mixed corn, bu.....	.61	.61¼	.58	.95	.43½	.21½
No. 2 white oats, bu.....	.29½	.29	.28½	.59½	.36½	.16½
No. 2 rye, bu.....	.52	.53	.52	.87	.55	.31½
No. 2 barley, bu.....	.48	.48	.48	.90	.43	.23
No. 2 white kafir, cwt.....	1.18	1.14	1.15	2.06	.73	.41

### Agriculture

Late December and early January snows over the greater part of the District were beneficial for winter wheat, but the heaviest precipitation occurred mostly in those areas where subsoil moisture already was sufficient for present needs, and additional moisture was needed in the northern and western portions of the District. There was little change in the condition of winter wheat during December as much of the crop was reported in the dormant stage. Winter wheat was furnishing only limited pasture in many areas.



2 per cent, but receipts of cattle were about 9, hogs 60, and sheep 14 per cent below the average. Horses and mules were in liberal supply, exceeding the ten-year average receipts by about 26 per cent.

Prices of all classes of live stock increased at the Kansas City market during December to close the year well above the levels of December, 1934. Influenced by limited receipts, improved quality of offerings, and the absence of forced liquidations as in 1934, live stock prices were at a generally higher level in 1935, and values were the highest in five years or more. Cattle prices reached their top late in April, hogs in mid-August, and lambs late in December.

Top prices per hundredweight of live stock at the Kansas City market:

	Year 1935	Year 1934	Year 1933	Year 1932	Year 1931	Year 1929
Beef steers.....	\$14.25	\$10.60	\$7.15	\$ 9.85	\$12.00	\$16.75
Stockers and feeders.....	10.40	8.10	6.50	7.50	9.75	14.75
Cows.....	8.50	5.00	4.00	5.00	7.25	12.50
Calves.....	10.50	7.00	7.00	8.00	11.00	17.50
Hogs.....	12.00	7.80	5.10	5.00	8.00	12.05
Sheep.....	8.00	8.00	4.75	5.85	7.50	15.00
Lambs.....	11.65	11.80	8.10	10.00	12.00	20.50

Shipments of stocker and feeder live stock from four markets in the District were below the average volume both in December and during 1935. The decline in shipments of hogs and sheep was particularly heavy but shipments of calves during the year exceeded the average by 14.3 per cent.

Somewhat larger than average feed supplies per animal unit were indicated for the 1935-1936 season, as feed grain supplies were only about 13 per cent below the 1928-1932 average while grain consuming animal units were 16 per cent below the average. Hay production was about 9 per cent above the average with hay consuming animal units about equal to the average number.

The Bureau of Agricultural Economics estimated that the number of cattle on feed for market in the western Corn Belt states on January 1, 1936, was 48 per cent above the small number on feed one year earlier but from 25 to 30 per cent below the 1930-1934 average number. There was an increase of 60 per cent in Missouri, of 95 per cent in Nebraska, and of 50 per cent in Kansas as compared to January 1, 1935. Marketing plans indicated a materially larger supply of grain finished cattle during the first four months of 1936 than during the corresponding period of 1935.

The number of sheep and lambs on feed for market in the principal feeding areas of the United States was estimated as 5.4 per cent smaller on January 1, 1936, than one year earlier, and all of the decrease occurred in the western Corn Belt. There were sharp decreases in Kansas and Oklahoma, where many

lambs were feeding in corn fields or on wheat pastures in 1934, but there were increases in the Scottsbluff section of Nebraska and Wyoming, in the remainder of Nebraska, and in Colorado, Missouri, and New Mexico which resulted in a net increase of nearly 4 per cent in the District.

The condition of winter ranges, cattle, and sheep showed a slight seasonal decline during December but continued near the average condition. Late December and early January snows widened grazing areas and relieved stock water shortages. Feed supplies were plentiful except in a few restricted drought areas. Cattle and sheep were in good flesh, with few thin stock and light death losses.

An increase of 46 per cent in the fall pig crop and a decrease of 16 per cent in the combined spring and fall crops of 1935 as compared to 1934 were indicated for states in the District by the December survey of the Department of Agriculture. The fall pig crop in the United States increased 31 per cent over 1934 and the combined spring and fall crops declined 5 per cent. The number of sows to farrow in the District in the spring of 1936 showed a prospective increase of nearly 30 per cent over farrowings in 1935, as compared to a prospective national increase of 24 per cent.

The December 1 pig crop report of the Department of Agriculture:

	PIGS SAVED				SOWS FARROWED	
	Fall 1935	Fall 1934	Spring 1935	Spring 1934	*1936	1935
Colo.....	130,000	127,000	123,000	241,000	30,000	22,000
Kans.....	908,000	562,000	959,000	1,462,000	209,000	155,000
Mo.....	1,517,000	1,123,000	1,763,000	2,438,000	344,000	275,000
Nebr.....	792,000	430,000	2,016,000	3,496,000	442,000	340,000
N. M.....	21,000	16,000	19,000	28,000	5,000	4,000
Okl.....	376,000	299,000	341,000	463,000	78,000	59,000
Wyo.....	10,000	13,000	20,000	39,000	5,000	4,000

7 States....	3,754,000	2,570,000	5,241,000	8,167,000	1,113,000	859,000
U. S.....	20,272,000	15,522,000	30,402,000	37,807,000	6,220,000	5,021,000

\*Indicated by the December survey of breeding intentions.

### Meat Packing

Meat packing operations in the District, as reflected by packers' purchases at the six principal live stock markets, direct shipments of hogs included, increased during December but were below operations in December, 1934. Operations during 1935 were considerably below the level of 1934 when many cattle, calves, and sheep were slaughtered for the Government account. Packers' purchases of calves during the year exceeded the ten-year average by 12.7 per cent, but purchases of cattle were 11.5, hogs 58.9, and sheep 18.7 per cent below the average.

The Government's report of Federally inspected live stock slaughter in the United States, excluding slaughter for Govern-

### MOVEMENT OF LIVE STOCK IN THE TENTH FEDERAL RESERVE DISTRICT

	RECEIPTS				STOCKERS AND FEEDERS				PURCHASED FOR SLAUGHTER			
	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep
Kansas City.....	1,610,240	347,599	*1,325,191	1,397,101	591,297	100,691	35,757	239,058	709,488	260,423	*1,187,005	960,528
Omaha.....	1,243,603	138,539	1,140,208	1,672,956	315,065	38,972	13,183	313,771	724,600	99,567	808,296	1,180,581
St. Joseph.....	375,389	98,906	662,997	1,068,445	55,219	5,891	19,615	119,110	284,550	89,106	587,031	868,363
Denver.....	482,421	78,279	362,919	2,903,355	192,407	30,135	5,815	759,922	174,089	42,029	227,865	271,767
Oklahoma City.....	519,612	140,753	287,359	141,087	.....	.....	.....	.....	282,700	96,534	249,487	102,858
Wichita.....	334,591	77,719	184,618	151,897	.....	.....	.....	.....	119,187	50,133	169,634	129,182
Year 1935.....	4,565,856	881,795	3,963,292	7,334,841	1,153,988	175,689	74,370	1,431,861	2,294,614	637,792	3,229,318	3,513,279
Year 1934.....	6,501,879	1,407,474	8,997,986	8,219,229	1,210,089	155,930	131,522	1,459,676	3,484,540	1,038,724	7,589,239	4,029,786
Year 1933.....	4,074,949	665,561	10,889,248	8,179,781	944,287	186,226	81,067	1,457,181	2,268,490	418,983	9,732,753	4,047,717
Year 1932.....	4,066,055	649,681	9,234,559	8,638,085	1,028,158	187,968	49,288	1,438,582	2,009,794	370,775	7,685,721	4,336,137
Year 1931.....	4,544,740	710,452	9,010,827	10,022,138	1,194,104	184,864	109,190	2,556,996	2,169,306	397,161	6,801,943	5,028,012
December 1935.....	398,599	73,787	407,534	384,481	85,091	11,784	7,495	48,509	221,969	54,331	331,286	263,141
November 1935.....	458,584	91,271	296,253	402,328	166,297	23,614	5,273	163,558	204,560	58,570	221,117	196,441
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

\*Includes 745,655 hogs shipped direct to packers' yards.

NOTE: Government purchases of hogs included in the 1933 totals and of cattle, calves, and sheep in the 1934 totals.

ment relief purposes, showed an increase in hog slaughter, decreases in cattle and sheep slaughter, and calf slaughter about unchanged from November to December. More cattle, calves, and sheep and fewer hogs were slaughtered than in December, 1934. During 1935, the slaughter of cattle declined 2.8, calves 6.6, and hogs 40.6 per cent, but sheep slaughter increased 9.9 per cent as compared to 1934. The slaughter of cattle during the year was 8.8, calves 15.1, and sheep 16.5 per cent above the ten-year average, but hog slaughter was 42.2 per cent below the average.

Live stock slaughtered under Federal meat inspection in the United States, reported by the Bureau of Agricultural Economics from compilations of the Bureau of Animal Industry:

	Cattle	Calves	Hogs	Sheep
December 1935.....	892,173	480,878	2,874,855	1,368,654
November 1935.....	955,694	480,091	2,421,898	1,406,985
December 1934.....	795,844	447,005	4,196,894	1,294,896
Year 1935.....	9,665,840	5,679,399	26,057,627	17,644,188
Year 1934.....	9,943,086	6,077,629	43,876,393	16,055,474

NOTE: Slaughter for Government relief purposes excluded.

### Cold Storage Holdings

United States cold storage stocks of beef, pork, lamb and mutton, poultry, miscellaneous meats, and lard accumulated seasonally during December and there was a seasonal withdrawal of eggs, butter, and cheese. Holdings of all commodities except eggs were smaller than on January 1, 1935, stocks of pork and lard recording declines of 52.9 and 55.6 per cent, respectively, during the year. Storage stocks of beef were 35.4 and cheese 17 per cent above the January 1 five-year average, but holdings of pork were 44.1, lamb and mutton 17.6, poultry 9, miscellaneous meats 3.4, lard 33.5, and butter 25.8 per cent below the average. Holdings of eggs approximated the average volume.

United States cold storage holdings reported by the Bureau of Agricultural Economics:

	*Jan. 1 1936	Dec. 1 1935	Jan. 1 1935	Jan. 1 5-Yr. Av.
Beef, lbs.....	106,044	91,164	140,940	78,305
Pork, lbs.....	323,633	253,209	687,563	578,521
Lamb and mutton, lbs.....	3,021	2,661	4,560	3,667
Poultry, lbs.....	107,205	86,098	132,001	117,752
**Turkeys, lbs.....	16,707	9,114	18,652	12,771
Miscellaneous meats, lbs.....	74,234	63,284	126,033	76,808
Lard, lbs.....	52,432	37,906	118,107	78,873
Eggs, cases.....	955	2,738	648	981
Eggs, frozen (case equivalent).....	1,985	2,258	1,854	1,966
Butter, creamery, lbs.....	40,169	71,948	47,175	54,102
Cheese, all varieties, lbs.....	99,289	104,661	102,197	84,897

\*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.

### Coal

Bituminous coal production at mines in the District during December was slightly below production in November but was 1.4 per cent above production in December, 1934. Coal production during 1935 exceeded the 1934 tonnage by 13.1 per cent and was at the highest level since 1931.

Bituminous coal production reported by the Bureau of Mines:

	*Dec. 1935	Nov. 1935	Dec. 1934	*Year 1935	Year 1934
	Tons	Tons	Tons	Tons	Tons
Colo.....	679,000	724,000	692,000	5,820,000	5,168,000
Kans. & Mo....	693,000	618,000	719,000	6,298,000	5,800,000
N. M.....	144,000	153,000	123,000	1,374,000	1,250,000
Okla.....	199,000	205,000	210,000	1,585,000	1,358,000
Wyo.....	535,000	568,000	475,000	5,199,000	4,349,000
Six states.....	2,250,000	2,268,000	2,219,000	20,276,000	17,925,000
U. S.....	34,829,000	33,285,000	32,526,000	367,980,000	359,368,000

\*December estimated from the weekly reports of the United States Bureau of Mines.

### Petroleum

The estimated flow of crude oil in the five oil producing states of the District averaged 724,200 barrels daily during December as compared to 758,000 barrels in November and 686,600 barrels in December, 1934. Gross production declined slightly from November but was 5.5 per cent greater than in December, 1934. Crude oil production during 1935 was 7 per cent above production in 1934 and the highest since 1930.

Gross production of crude oil, estimated from the weekly reports of the American Petroleum Institute for December, and officially reported by the Bureau of Mines for November, 1935, and December, 1934:

	Dec. 1935 Barrels	Nov. 1935 Barrels	Dec. 1934 Barrels	Year 1935 Barrels	Year 1934 Barrels
Oklahoma.....	14,919,000	15,319,000	14,703,000	184,904,000	180,224,000
Kansas.....	4,452,000	4,385,000	3,933,000	54,787,000	46,526,000
Wyoming.....	1,174,000	1,107,000	1,071,000	13,656,000	12,603,000
Colorado.....	127,000	122,000	96,000	1,548,000	1,141,000
New Mexico....	1,778,000	1,806,000	1,478,000	20,514,000	16,868,000
Total 5 states	22,450,000	22,739,000	21,281,000	275,409,000	257,362,000
Total U. S.....	85,899,000	86,476,000	75,010,000	991,130,000	908,278,000

Mid-continent crude oil prices continued unchanged throughout the year 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.

Field operations were at a high level in 1935, and there was a substantial increase in the number of wells completed and in the amount of new production as compared to 1934.

### Zinc and Lead

Shipments of zinc ore and lead ore from the Tri-State district increased during the four weeks ending December 28 and were substantially heavier than during the corresponding four-week period ending December 29, 1934. Shipments of zinc ore during 1935 were the heaviest since 1930 and of lead ore the heaviest since 1929.

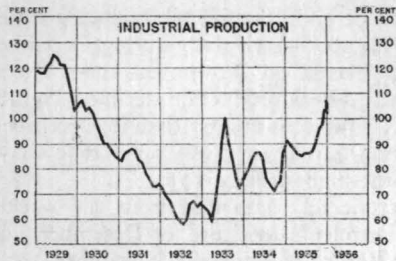
Zinc and lead prices were unchanged during December at \$32 and \$47 per ton, respectively, as compared to \$26 and \$36 in December, 1934. The average price received for zinc was about \$28.81 per ton in 1935 and \$27.11 per ton in 1934. Lead prices averaged about \$41.93 per ton in 1935 and \$39.70 per ton in 1934. The shipment value of both zinc and lead was the highest since 1930.

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

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
4 Wks. ended Dec. 28, 1935....	40,889	\$ 1,308,448	8,639	\$ 406,033
4 Wks. ended Nov. 30, 1935....	38,728	1,239,296	6,839	321,433
4 Wks. ended Dec. 29, 1934....	29,102	748,257	4,030	137,802
52 Wks. ended Dec. 28, 1935....	389,211	11,213,928	48,223	2,022,129
52 Wks. ended Dec. 29, 1934....	307,192	8,337,087	33,230	1,323,784
52 Wks. ended Dec. 30, 1933....	267,911	7,204,155	34,874	1,612,839
52 Wks. ended Dec. 31, 1932....	178,379	3,172,627	23,451	813,567
52 Wks. ended Dec. 26, 1931....	232,608	5,278,321	26,787	1,194,399
52 Wks. ended Dec. 27, 1930....	445,332	14,234,283	45,828	2,986,182

### Cement

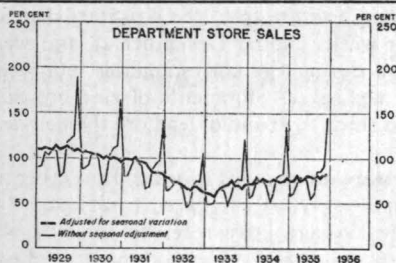
Production of finished Portland cement in the District increased slightly from November to December and was 19.9 per cent larger than in December, 1934. Production for the year 1935 increased 4.5 per cent over production in 1934. Shipments declined during December but were 55.8 per cent above shipments in December, 1934, and total shipments during 1935 exceeded shipments in 1934 by 7.8 per cent. Stocks increased 8.7 per cent from November 30 to December 31 and were 3.3 per cent above stocks on hand December 31, 1934.



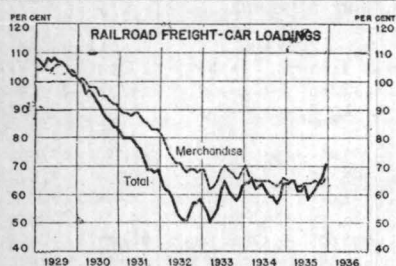
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average=100. By months, January 1929 to December 1935. Latest figure, December preliminary, 103.



Index of number employed, adjusted for seasonal variation, 1923-1925 average=100. By months, January 1929 to December 1935. Latest figure, December, 85.6.



Indexes of value of sales, 1923-1925 average=100. By months, January 1929 to December 1935. Latest figures, December preliminary, adjusted 84, unadjusted 145.



Indexes of number of cars loaded, adjusted for seasonal variation, 1923-1925 average=100. By months, January 1929 to December 1935. Latest figures, December, total 71, merchandise 66.

## National Summary of Business Conditions

By the Board of Governors of the Federal Reserve System

Industrial production and employment showed a further increase in December, when allowance is made for the usual seasonal changes, and distribution of commodities to consumers was in increased volume.

**PRODUCTION AND EMPLOYMENT:** The Board's seasonally adjusted index of industrial production, which takes account of the considerable decline that usually occurs in December, advanced from 98 per cent of the 1923-1925 average in November to 103 per cent in December, the highest level reached by this index since the spring of 1930. As in other months during the last half of 1935, the rise in the index was due in large part to increases in output of durable manufacturers, particularly iron and steel and automobiles. During the first half of January production of steel and automobiles increased somewhat, following declines in the holiday period. Output at mines was also larger in December than in November. Activity at cotton and silk textile mills declined less than is usual in December, while at woolen mills there was a more than seasonal decrease in operation. Output at shoe factories increased.

Factory employment showed little change between the middle of November and the middle of December, when a slight decline is customary. The number employed continued to increase at steel mills, automobile factories, foundries and machine shops, and at railroad car building plants. There was also an increase in employment at shoe factories. Seasonal declines were reported by many other important industries. Factory payrolls were larger in the middle of December than a month earlier.

The value of construction contracts awarded increased sharply in December, according to figures of the F. W. Dodge Corporation, although a decline is usual in that month. There was a further substantial growth in the volume of awards for publicly-financed projects and residential building also increased.

**DISTRIBUTION:** Sales at department stores and variety stores, as well as sales by chain stores and mail order houses serving rural areas, showed larger increases than are usual in December. Freight-car loadings decreased by less than the usual seasonal amount in December, and the Board's adjusted index increased from 66 per cent of the 1923-1925 average in November to 71 per cent, continuing the advance begun last August.

**COMMODITY PRICES:** The general level of wholesale prices showed little change during December. In the first three weeks of January there was some decline in the general index, reflecting in part lower prices for cotton gray goods, flour, pork, and silk. Prices of hogs, rubber, and petroleum increased.

**BANK CREDIT:** Excess reserves of member banks, which declined by \$600,000,000 in the third week of December, increased by \$320,000,000 during the following five weeks, reflecting the usual seasonal return flow of currency from circulation, a decline in Treasury balances with the Federal reserve banks, and a small increase in monetary gold stock. On January 22 excess reserves totaled \$3,030,000,000, as compared with the peak of \$3,300,000,000 on December 11, 1935.

Changes in the condition of reporting member banks in leading cities between December 18 and January 15 reflected largely the influences of seasonal factors.