

THE MONTHLY REVIEW

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

FEDERAL RESERVE BANK OF KANSAS CITY

Vol. 21

KANSAS CITY, MO., MARCH 1, 1936

No. 3

REPORTS for the month of January indicated that general business activity in the Tenth Federal Reserve District was at a level somewhat higher than in the initial month of the preceding year. Debits by banks to individual accounts increased 17.7 per cent, retail trade 10.2 per cent, and wholesale trade 9 per cent. Retail lumber sales in board feet were 66.2 per cent larger than in January, 1935, and building operations showed an increase of 25.2 per cent.

The production of flour was approximately equal to production a year ago and there were increases of 1.6 per cent in the production of crude petroleum and 16.7 per cent in the production of bituminous coal. Shipments of zinc ore increased 27.6 per cent, but shipments of lead ore declined 23.8 per cent. Packers' purchases of live stock indicated a decline in the slaughter of cattle and calves and an increase in hog and sheep slaughter compared to January, 1935, although hog slaughter was 42.4 per cent below the average for the month.

Receipts of all classes of grain were heavier than a year ago, but receipts of wheat, corn, and rye represented only about one-half, and of kafir about one-fifth, the normal volume, while receipts of oats and barley exceeded the average volume. Marketings of hogs and sheep increased, while marketings of cattle and calves declined compared to January, 1935. Calf receipts exceeded the average for January, while receipts of cattle and sheep were slightly below the average, with hog receipts 44.8 per cent below normal for the month.

The general level of prices for agricultural commodities on January 15 was 109 per cent of the pre-war average compared to 107 per cent on January 15, 1935. During the year there was an increase in prices of meat animals, dairy products, and chickens and eggs and a decline in prices of grain and cotton. The index of farm purchasing power on January 15 was 89 per cent of the pre-war average compared to 85 per cent a year ago.

Severely cold weather during the latter part of January tended to restrict somewhat the marketing of grains and live stock and reduced farm activity to a minimum. There was some slight damage to winter wheat where there was no protective snow covering but live stock losses during the month were reported light. The cold weather was also a restrictive factor in building activity and in the shipment of zinc and lead ore, while the production of coal increased 17.2 per cent compared to December.

Member Bank Operations

Loans and discounts of fifty-two reporting member banks, following an increase of 3 per cent during December, declined 2.4 per cent from December 31 to February 5. Loans and discounts on February 5 were 11.5 per cent greater than on February 6, 1935, reflecting an increase in "all other" loans, as there was a decrease in loans secured by stocks and bonds. Investment holdings declined further from December 31 to

BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT
Percentages of Increase, or Decrease (—), for January 1936 over December 1935 and January 1935.

	January 1936 compared to	
	Dec. 1935	Jan. 1935
Banking		
Payments by check, 29 cities.....	3.4	17.7
Federal Reserve Bank check collections.....	— 3.4	11.9
Loans, 52 member banks.....	— 2.4	11.5
Investments, 52 member banks.....	— 4.0	— 1.0
Adjusted dem. depts., 52 member banks.....	— 1.1	13.4
Time deposits, 52 member banks.....	— 0.1	1.1
Savings deposits, 45 selected banks.....	— 0.1	4.7
Savings accounts, 45 selected banks.....	0.9	1.4
Distribution		
Wholesalers' sales, 5 lines combined.....	3.7	9.0
Retailers' sales, 32 department stores.....	—52.3	10.2
Lumber sales, 158 retail yards.....	24.5	66.2
Life insurance, written.....	—20.7	—18.2
Construction		
Building contracts awarded, value.....	—28.9	25.2
Residential contracts awarded value.....	—36.9	219.0
Building permits in 17 cities, value.....	— 7.9	188.2
Production		
Flour.....	24.2	— 0.6
Crude petroleum.....	— 1.1	1.6
Soft coal.....	17.2	16.7
Zinc ore (shipped) Tri-State district.....	—16.3	27.6
Lead ore (shipped) Tri-State district.....	—62.1	—23.8
Grain receipts, 5 markets		
Wheat.....	27.3	107.0
Corn.....	—26.1	124.4
Oats.....	19.1	56.5
Live stock receipts, 6 markets		
Cattle.....	— 5.1	— 9.1
Calves.....	—13.3	—17.8
Hogs.....	40.6	24.9
Sheep.....	33.5	13.6
Horses and mules.....	58.4	—12.6
Meat packing, 6 markets		
Cattle.....	— 0.5	— 0.5
Calves.....	— 2.0	—15.9
Hogs.....	44.8	25.1
Sheep.....	23.6	21.9
Stocker and feeder shipments, 4 markets		
Cattle.....	—11.0	— 6.6
Calves.....	—17.0	0.8
Hogs.....	—31.5	—21.6
Sheep.....	— 5.4	— 5.4

February 5 and were slightly below holdings a year ago, although there was a substantial increase in holdings of obligations fully guaranteed by the United States Government. Reserves with the Federal Reserve Bank increased 11.9 per cent during the five-week period and 6.1 per cent during the year.

Adjusted demand deposits declined slightly from December 31 to February 5 but were 13.4 per cent larger than on February 6, 1935. There was little change in time deposits during the five-week period and a slight increase over a year ago. United

States Government deposits declined 12.2 per cent during the five weeks and 42.5 per cent during the year. Inter-bank deposits increased 2.7 per cent from December 31 to February 5 and were 14.5 per cent larger than on February 6, 1935.

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

	Feb. 5, 1936	Dec. 31, 1935	Feb. 6, 1935
Loans and investments—total..	\$602,937,000	\$624,118,000	\$583,993,000
Loans and discounts—total.....	222,464,000	227,899,000	199,539,000
Secured by stocks and bonds	47,716,000	47,837,000	53,565,000
All other loans and discounts	174,748,000	180,062,000	145,974,000
Investments—total.....	380,473,000	396,219,000	384,454,000
U. S. securities direct.....	217,605,000	232,393,000	247,149,000
Obligations fully guaranteed by the U. S. Government..	43,957,000	46,742,000	18,910,000
Other securities.....	118,911,000	117,084,000	118,395,000
Reserve with F. R. Bank.....	116,989,000	104,502,000	110,289,000
Demand deposits—adjusted.....	442,074,000	447,173,000	389,871,000
Time deposits.....	144,409,000	144,557,000	142,802,000
U. S. Government deposits.....	13,704,000	15,614,000	23,837,000
Inter-bank deposits:			
Domestic banks.....	367,947,000	358,203,000	321,390,000
Foreign banks.....	136,000	188,000	106,000

Reserve Bank Operations

Holdings of bills discounted and bills purchased continued at a low level, although bills discounted were larger than a year ago. Industrial advances declined slightly from December 31 to February 5 but were substantially larger than on February 6, 1935. There was a fractional decline in holdings of United States securities during the five weeks but an increase of 16.3 per cent during the year.

Federal Reserve note circulation declined slightly from December 31 to February 5, but there was an increase of 20.6 per cent compared to February 6, 1935. Member banks' reserve deposits increased 6.6 per cent during the five weeks and 2 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:

	Feb. 5, 1936	Dec. 31, 1935	Feb. 6, 1935
Total reserves.....	\$218,348,096	\$209,022,402	\$204,690,162
Bills discounted.....	522,508	618,744	159,813
Bills purchased.....	132,858	128,133	148,545
Industrial advances.....	1,114,468	1,145,690	635,672
U. S. securities.....	106,844,200	107,344,200	91,844,250
Total bills and securities.....	108,795,034	109,417,767	92,788,280
Total resources.....	361,262,981	358,126,604	329,482,815
F. R. notes in circulation.....	139,645,195	141,690,210	115,775,625
Member banks' reserve deposits	179,915,451	168,793,055	176,325,012

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 declined 3.4 per cent from December to January and the number of items handled declined 6 per cent, but the dollar volume increased 11.9 per cent, and the number of checks 9.7 per cent, as compared to January, 1935.

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

	ITEMS	AMOUNT
January 1936.....	5,792,615	\$894,412,000
December 1935.....	6,163,231	926,194,000
January 1935.....	5,278,414	799,176,000

Bank Debits

Debits by banks to individual accounts in twenty-nine reporting cities in the District increased 3.4 per cent during the four weeks ended January 29 and were 17.7 per cent greater than during the corresponding four weeks in 1935.

PAYMENTS BY CHECK

	FOUR WEEKS ENDED		Per cent Change
	Jan. 29, 1936	Jan. 30, 1935	
Albuquerque, N. M.....	\$ 10,701,000	\$ 8,267,000	29.4
Atchison, Kans.....	2,842,000	2,778,000	2.3
Bartlesville, Okla.....	21,690,000	21,420,000	1.3
Casper, Wyo.....	4,976,000	4,496,000	10.7
Cheyenne, Wyo.....	6,637,000	5,671,000	17.0
Colorado Springs, Colo.....	14,074,000	9,855,000	42.8
Denver, Colo.....	137,750,000	115,623,000	19.1
Enid, Okla.....	7,731,000	7,165,000	7.9
Freemont, Nebr.....	2,199,000	2,119,000	3.8
Grand Junction, Colo.....	2,535,000	1,936,000	30.9
Guthrie, Okla.....	1,889,000	1,681,000	12.4
Hutchinson, Kans.....	10,061,000	11,106,000	— 9.4
Independence, Kans.....	2,225,000	2,039,000	9.1
Joplin, Mo.....	8,971,000	6,982,000	28.5
Kansas City, Kans.....	14,010,000	11,397,000	22.9
Kansas City, Mo.....	270,110,000	236,357,000	14.3
Lawrence, Kans.....	3,231,000	2,520,000	28.2
Lincoln, Nebr.....	23,417,000	23,785,000	— 1.5
Muskogee, Okla.....	7,817,000	6,602,000	18.4
Oklahoma City, Okla.....	86,270,000	68,096,000	26.7
Okmulgee, Okla.....	2,666,000	2,060,000	29.4
Omaha, Nebr.....	130,475,000	111,600,000	16.9
Pittsburg, Kans.....	4,000,000	3,230,000	23.8
Pueblo, Colo.....	14,049,000	12,020,000	16.9
Salina, Kans.....	6,973,000	6,798,000	2.6
St. Joseph, Mo.....	29,211,000	24,973,000	17.0
Topeka, Kans.....	15,811,000	14,716,000	7.4
Tulsa, Okla.....	116,731,000	88,860,000	31.4
Wichita, Kans.....	44,074,000	37,787,000	16.6
Total, 29 cities.....	\$ 1,003,126,000	\$ 851,939,000	17.7
United States, 272 cities.....	35,017,746,000	29,372,035,000	19.2

Savings

Savings deposits at forty-five selected banks in leading cities of the District declined slightly from January 1 to February 1, but there was an increase of 4.7 per cent over deposits on February 1, 1935. The number of savings accounts increased 0.9 per cent during January and 1.4 per cent during the year.

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

	Savings Accounts	Savings Deposits
February 1, 1936.....	407,928	\$124,242,023
January 1, 1936.....	404,217	124,394,028
February 1, 1935.....	402,295	118,674,651

Life Insurance

Sales of new paid-for ordinary life insurance in the seven states whose areas or parts thereof comprise the District declined 20.7 per cent from December to January and were 18.2 per cent smaller than in January, 1935.

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:

	Jan. 1936	Dec. 1935	Jan. 1935
Colorado.....	\$ 3,921,000	\$ 5,962,000	\$ 4,896,000
Kansas.....	4,525,000	5,993,000	5,629,000
Missouri.....	14,120,000	15,437,000	18,886,000
Nebraska.....	4,155,000	5,198,000	4,594,000
New Mexico.....	611,000	777,000	777,000
Oklahoma.....	5,391,000	7,739,000	5,547,000
Wyoming.....	767,000	1,116,000	614,000
Seven states.....	\$ 33,490,000	\$ 42,222,000	\$ 40,943,000
United States.....	479,018,000	575,600,000	645,334,000

Trade

RETAIL: Retail distribution during January, as reflected by the dollar volume of thirty-two reporting department stores in the District, was seasonally smaller than in December but was 10.2 per cent above January, 1935, despite the retarding effect

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

	Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER		ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED	
		Jan. 1936 compared to		Jan. 31, 1936 compared to		January		Jan. 31, 1936 compared to		Jan. 1936 compared to	
		Jan. 1935	Dec. 31, 1935	Jan. 31, 1935	Jan. 31, 1935	1936	1935	Dec. 31, 1935	Jan. 31, 1935	Dec. 1935	Jan. 1935
Kansas City.....	4	5.0	— 4.1	—15.0	.28	.24	—20.8	15.2	32.5	9.2	
Denver.....	4	6.6	— 2.5	6.3	.27	.28	—17.1	5.8	19.0	7.5	
Oklahoma City.....	3	5.0	— 6.7	2.8	.33	.33	— 7.2	2.1	25.7	2.8	
Tulsa.....	3	15.1	—13.0	5.6	.34	.33	—26.8	7.8	50.7	28.9	
Wichita.....	3	10.4	—13.2	2.8	.26	.25	—14.0	6.2	21.1	7.2	
Other cities.....	15	19.8	—10.4	— 2.2	.26	.21	—14.3	4.0	12.9	6.3	
Total.....	32	10.2	— 6.6	— 2.1	.28	.26	—16.5	6.6	23.5	8.6	

NOTE: Percentage of collections in January on open accounts December 31, all stores reporting 47.8. Collections same month last year 46.9.

of severely cold weather late in the month. The decline in sales from December amounted to 52.3 per cent, approximately the normal seasonal decrease.

Stocks of merchandise at the close of January were 6.6 per cent smaller than at the close of December and were 2.1 per cent smaller than stocks on hand January 31, 1935.

Collections on open accounts during January averaged 47.8 per cent of amounts receivable at the close of the preceding month, compared to the December collection ratio of 46.1 per cent and the January, 1935, ratio of 46.9 per cent. Installment collections in January averaged 15.6 per cent compared to 15.9 per cent in December and 15.3 per cent a year ago.

WHOLESALE: Wholesale distribution, as reflected by the combined dollar volume of five representative reporting lines, increased 3.7 per cent from December to January and was 9 per cent larger than in January, 1935, recording the seventh consecutive increase over the corresponding month of the preceding year. Sales of groceries increased 6.9, hardware 12.2, furniture 20, and drugs 13 per cent, while sales of dry goods declined 1.5 per cent compared to a year ago. All lines except hardware and furniture reported an increase over sales for December.

Stocks of merchandise of the five lines combined increased 2.9 per cent from December 31 to January 31 and were 4.9 per cent larger than on January 31, 1935. Inventories of dry goods, hardware, furniture, and drugs on January 31 were larger than one month earlier, but inventories of groceries showed a decrease. Stocks of hardware increased 14.6, furniture 26.9, and drugs 7.9 per cent during the year, but stocks of dry goods and groceries declined 3.8 and 1.1 per cent, respectively.

Building

Building activity in the Tenth District during January, although showing a recession from December levels, increased substantially compared to January, 1935. The value of residential contracts awarded in the District, according to statistics of the F. W. Dodge Corporation, was more than three times the value of awards in January, 1935, and there was an increase of 25.2 per cent in the value of total building contracts awarded. Although residential awards in January represented only 73.9 per cent of the average volume for the past nine years, total awards were 98.6 per cent of the average for the month. The decline from December amounted to 36.9 per cent in residential construction and 28.9 per cent in total construction.

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

	RESIDENTIAL		TOTAL AWARDS	
	Tenth District	United States	Tenth District	United States
January 1936...	\$1,659,910	\$37,439,500	\$10,715,984	\$204,792,800
December 1935	2,629,300	45,140,100	15,071,942	264,136,500
January 1935...	520,425	22,410,200	8,559,539	99,773,900

The number of permits issued by building departments in seventeen Tenth District cities in January increased 6 per cent compared to January, 1935, and the estimated construction cost was nearly three times as great as a year ago, largely owing to substantial increases in six of the seventeen reporting centers. There was a decline of 8 per cent in the number of permits issued and of 7.9 per cent in the estimated expenditures compared to December.

BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1936	1935	1936	1935
Albuquerque, N. M.....	44	56	\$ 57,414	\$ 43,247
Cheyenne, Wyo.....	19	20	10,215	14,862
Colorado Springs, Colo.....	20	21	7,016	8,980
Denver, Colo.....	199	159	537,554	169,145
Joplin, Mo.....	11	5	10,100	4,150
Kansas City, Kans.....	16	11	15,005	14,210
Kansas City, Mo.....	109	130	234,400	261,000
Lincoln, Nebr.....	28	29	45,643	19,629
Oklahoma City, Okla.....	151	86	1,018,329	94,315
Omaha Nebr.....	38	37	149,175	156,070
Pueblo, Colo.....	19	42	5,306	16,873
Salina, Kans.....	7	8	9,954	5,510
Shawnee, Okla.....	18	15	102,750	10,788
St. Joseph, Mo.....	6	8	16,100	11,465
Topeka, Kans.....	27	16	48,480	4,375
Tulsa, Okla.....	66	54	136,674	46,765
Wichita, Kans.....	71	104	222,629	29,949
Total 17 cities, January.....	849	801	\$2,626,744	\$911,333

Lumber

Retail sales of lumber at 158 reporting retail yards in the Tenth District increased 24.5 per cent in board feet from December to January and were 66.2 per cent greater than in January, 1935. Dollar sales of all materials showed an increase of 24.8 per cent over December and of 41.7 per cent over the preceding January.

Stocks of lumber increased 4 per cent from December 31 to January 31 and were 16.5 per cent larger than one year earlier. There was little change in amounts outstanding from the close of December to the close of January, but there was an increase

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

	Stores Reporting	SALES		OUTSTANDING		AMOUNTS COLLECTED		STOCKS	
		Jan. 1936 compared to		Jan. 31, 1936 compared to		Jan. 1936 compared to		Jan. 31, 1936 compared to	
		Dec. 1935	Jan. 1935	Dec. 31, 1935	Jan. 31, 1935	Dec. 1935	Jan. 1935	Dec. 31, 1935	Jan. 31, 1935
Dry goods.....	5	13.0	— 1.5	— 0.9	— 0.8	—30.7	2.3	7.1	— 3.8
Groceries.....	5	14.3	6.9	0.4	2.0	— 6.9	11.0	— 5.6	— 1.1
Hardware.....	7	—19.3	12.2	— 3.3	2.3	—22.6	10.0	7.2	14.6
Furniture.....	4	— 0.3	20.0	4.9	15.6	—34.6	14.7	2.7	26.9
Drugs.....	7	5.8	13.0	— 2.3	5.2	—11.1	17.3	10.4	7.9

of 32 per cent over amounts outstanding on January 31, 1935. Collections improved during the month, averaging 43.9 per cent of amounts receivable at the close of the preceding month during January, 41.6 per cent during December, and 40.4 per cent during January, 1935.

January business at the 158 reporting yards:

	January 1936 compared to	
	December 1935	January 1935
Sales of lumber, board feet.....	24.5	66.2
Sales of all materials, dollars.....	24.8	41.7
Stocks of lumber, board feet.....	4.0	16.5
Outstandings, end of month.....	— 0.9	32.0

According to reports of the National Lumber Manufacturers Association, lumber production in the United States during the five weeks ended February 1 was 52 per cent above production in the corresponding period in 1935. Lumber shipments and lumber orders booked were 32 per cent and 25 per cent, respectively, above shipments and orders in the comparable five weeks last year.

Flour Milling

Flour mill operations in the District were increased from an average of 50 per cent of full-time capacity in December to 59.8 per cent in January, and production increased by 24.2 per cent. Compared to January, 1935, when running time averaged 60.8 per cent of capacity, there was a decline in production of 0.6 per cent. Flour production during January was 96.4 per cent of the ten-year average for the month.

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

	Jan. 1936	Dec. 1935	Jan. 1935
	Barrels	Barrels	Barrels
Atchison.....	130,244	92,488	112,319
Kansas City.....	503,911	464,196	519,437
Salina.....	169,960	132,747	158,397
Wichita.....	142,404	117,355	161,332
Outside.....	990,782	753,071	997,920
Total.....	1,937,301	1,559,857	1,949,405
*United States.....	5,602,613	4,770,847	5,288,736

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

Improved shipping directions on old contracts served to maintain flour production throughout January, but the volume of flour sales showed only slight improvement as demand was restricted by weakness in the wheat market and as the majority of orders were for small lots. Southwestern sales increased from 42 per cent of capacity in the first week of the month to 53 per cent of capacity in the closing week, and mills' unfilled bookings at the end of the month were sharply reduced. With the pressure of increasing supplies, the invalidation of the processing tax, and a decline in grain prices, flour quotations were irregularly lower. Millfeed prices declined as offerings became burdensome and as cold weather failed to improve demand materially.

Grain Marketing

Receipts of wheat, oats, and kafir at the five principal markets of the District increased during January, but receipts of corn, rye, and barley declined. Marketings of all grains were substantially above marketings a year ago, reflecting increased crop production during 1935. Receipts of wheat, corn, and rye were about half the average volume for the month and kafir about one-fifth the average volume, but receipts of oats and barley were 14 per cent and 26.5 per cent, respectively, above the average.

According to the Bureau of Agricultural Economics, United States wheat stocks accounted for amounted to 431,611,000 bushels on January 1 as against 439,389,000 bushels a year earlier, and there was no significant change compared with

last season during the month of January. Assuming that disappearance for the first six months of the year would be as large as a year ago, the Bureau estimated that the carryover at the beginning of the new crop season on July 1 would be the smallest of recent years and one which will include a relatively large proportion of low grade wheat.

United States wheat stocks, reported by the Bureau of Agricultural Economics, as of January 1:

	1936	1935
Farm stocks.....	159,390,000	137,504,000
Interior mill and elevator stocks.....	76,788,000	92,145,000
Commercial stocks.....	76,692,000	90,937,000
Merchant mill stocks.....	105,176,000	106,392,000
In transit to merchant mills or bought to arrive	13,565,000	12,411,000
Total.....	431,611,000	439,389,000

Much of the wheat and corn received at Kansas City arrived under contract, but the limited supplies available for trading were sufficient for the restricted demand. Cash prices of wheat and kafir declined, while prices of corn, oats, and rye advanced, and barley was quoted unchanged.

Cash grain prices at Kansas City:

	Feb. 15	Jan. 31	Dec. 31	Jan. 31	Jan. 31	Jan. 31
	1936	1936	1935	1935	1934	1933
No. 1 hard, dk. wheat, bu. \$1.05	\$1.05 1/2	\$1.08 1/2	\$1.08 1/2	\$.97	\$.86 1/2	\$.42 1/2
No. 2 mixed corn, bu. ....	.65 3/4	.61 1/2	.61 1/4	.90 1/4	.44 1/2	.21 3/4
No. 2 white oats, bu. ....	.31	.30	.29	.57	.37 1/4	.17
No. 2 rye, bu. ....	.54	.55	.53	.82	.63 1/2	.33 1/2
No. 2 barley, bu. ....	.49	.48	.48	.86	.45 1/2	.23 1/2
No. 2 white kafir, cwt.	1.10	1.11	1.14	2.03	.77	.43

Receipts of grain at the five markets:

	Wheat	Corn	Oats	Rye	Barley	Kafir
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Hutchinson.....	762,750	6,250	3,000	.....	.....	3,900
Kansas City.....	2,292,800	1,758,000	102,000	25,500	36,800	119,000
Omaha.....	645,225	1,542,800	390,000	16,800	182,400	.....
St. Joseph.....	312,000	463,500	538,000	.....	36,750	.....
Wichita.....	783,000	20,800	.....	.....	.....	1,300
January 1936.....	4,795,775	3,791,350	1,033,000	42,300	255,950	124,200
December 1935.....	3,768,550	5,133,500	867,000	47,400	341,850	91,900
January 1935.....	2,316,214	1,689,909	660,000	5,900	4,800	50,800

Agriculture

Weather conditions in the District during the first part of January were generally mild and open, but severe temperatures and snows prevailed in the central and eastern portions of the District during the latter part of the month and extended into February, reducing farm activity to a minimum. Precipitation was above normal in Nebraska, northern Missouri, and eastern Kansas, and winter wheat in these areas was benefited by the moisture and protected from the low temperatures by the snow covering. Winter wheat was generally reported in good condition except in southwestern areas where lack of snow or moisture had left the crop open to damage from cold weather and winds. Additional moisture was needed in eastern Colorado and in western Kansas where some soil blowing occurred. Progress in plowing for spring crops has been slow, and corn and grain sorghum seed of good quality were reported scarce.

PRICES: The general level of prices received by farmers for agricultural commodities was 109 per cent of the pre-war average on January 15 as compared to 107 per cent on January 15, 1935. Prices of grain and cotton were below a year ago, but prices of meat animals, dairy products, and chickens and eggs had increased during the year. The index of prices paid by farmers for commodities bought declined 4 points during the year to 122 per cent of the pre-war average, and the ratio of prices received to prices paid increased 4 points to 89 per cent of the pre-war average on January 15.

RENTAL AND BENEFIT PAYMENTS: Rental and

benefit payments made by the Agricultural Adjustment Administration to farmers in the seven states, all or parts of which are included in the Tenth District, totaled \$135,012,798 during 1935 compared to \$142,929,000 in 1934. Payments by commodities in 1935 were as follows: cotton, \$12,725,000; wheat, \$45,882,000; tobacco, \$239,000; corn-hogs, \$65,817,000; sugar, \$10,304,000; rice, \$2,000; and peanuts, \$44,000. In addition to rental and benefit payments, payments for drought relief, food conservation, and disease eradication operations totaled \$5,415,964 through the Denver, Colorado, disbursing office for the purchase of sheep and goats and \$17,363,285 through the Kansas City, Missouri, office for the purchase of cattle. Bankhead Pool payments under trust fund operations amounted to \$4,296,916 in the District, \$4,248,082 of such payments going to Oklahoma, and the balance to New Mexico, Missouri, and Kansas.

Live Stock

MARKETINGS: January receipts of cattle and calves at the six principal live stock markets of the District were smaller than in either December or January, 1935, while receipts of hogs, including direct shipments to packers, and of sheep showed an increase both as compared to the preceding month and to the corresponding month a year ago. Marketings of calves exceeded the ten-year average volume by 14.3 per cent, but marketings of cattle were 3.3, sheep 9.8, and hogs 44.8 per cent below the average volume. Receipts of horses and mules totaled 13,509 head during January, approximately the average number for the month, compared to 8,527 head in December, and 15,453 head in January, 1935.

PRICES: Prices of slaughter and stocker cattle at the Kansas City market closed the month of January at levels 25 to 75 cents below final December quotations. Demand for dressed beef was sluggish and there was a liberal marketing of in-between grade, short fed beef animals. The top price for slaughter beef steers was \$12.50 per hundredweight compared to \$13.00 a year ago, while stockers and feeders sold up to \$9.00 compared to \$7.60 for stockers and \$8.50 for feeders in January, 1935. Hog prices advanced sharply following the processing tax decision and later declines erased only part of the upturn with final quotations 55 to 90 cents above final December prices. The hog top of \$10.40 for butcherweights on January 7 was the highest January price at the Kansas City market since 1927 and was well above the January, 1935, top price of \$8.30. Stock pigs sold up to \$9.00 compared to \$5.00 a year ago. With the heaviest receipts of the fed lamb season thus far and weakness in the dressed lamb trade, lamb prices reacted from the high levels of December, closing 75 cents to \$1.00 below quotations one month earlier. The top price for fed lambs was \$11.00 and for native lambs \$10.75 compared to \$9.35 and \$9.00, respectively, a year ago. Sheep prices were steady to weak.

STOCKERS AND FEEDERS: January shipments of stocker and feeder live stock from four markets in the District were smaller than in December and, with the exception of

calves, were below shipments a year ago. The countryward movement of calves was in normal volume, but the movement of cattle was 12.6, of hogs 50, and of sheep 42.5 per cent below the average volume.

Estimates of the Department of Agriculture indicated that there were 1,300,000 lambs left in feed lots in the northern Colorado, Arkansas Valley, and Scottsbluff sections on February 8, compared with 1,225,000 lambs a year ago and 1,250,000 lambs two years ago. Since January 1, these areas had shipped out 1,459 cars of lambs, compared with 1,080 cars in the same period last year and 1,044 cars two years ago.

LIVE STOCK AND RANGES: Ranges, cattle, and sheep on February 1 were reported in about average condition. Ranges in Wyoming were generally snow covered and supplemental feeding was necessary, but ranges in Colorado, Nebraska, and New Mexico were generally open throughout January, permitting grazing and the conservation of feed supplies. Grass and hay supplies were ample except in western Kansas and Oklahoma and in southeastern Colorado. Water holes in northern areas were reported frozen over by the low temperatures late in January. Death losses have been light owing to the good condition in which cattle and sheep entered the winter and to the abundance of feed supplies.

LIVE STOCK ON FARMS JANUARY 1: The annual live stock inventory of the Department of Agriculture reported a decrease in the numbers of horses, mules, cattle, and sheep and an increase in the number of hogs on farms in the United States on January 1, 1936, compared to January 1, 1935. The number of horses decreased 2 per cent, mules 3 per cent, all cattle 0.5 per cent, milk cows 2 per cent, and sheep 1 per cent, while the number of hogs increased 9 per cent. On the basis of animal units, which makes allowance for the differences in size and feed requirements of the several species, the total number of live stock on farms decreased 0.1 per cent compared to a year ago. Cattle numbers were increased in all of the Corn Belt states with the exception of Kansas, with the largest increases in those states where numbers had been sharply reduced in 1934 as a result of the drought. There was an increase in the number of stock sheep in the native sheep states and a decrease in numbers in the western sheep states.

The total value of all live stock on farms in the United States was \$4,885,302,000 compared to \$3,250,085,000 a year ago, an increase in value of about 50 per cent. The total valuation was the highest since January 1, 1930, and the value per head of all species was the highest since January 1, 1932. Values per head this year and last were as follows: horses, \$96.79 and \$77.05; mules, \$120.42 and \$99.34; all cattle, \$34.09 and \$20.22; milk cows, \$49.18 and \$30.13; hogs, \$12.68 and \$6.31; and sheep, \$6.34 and \$4.33.

Meat Packing

Packers' purchases at the six principal live stock markets in the District, direct shipments of hogs included, indicated a slight decline in operations in the beef and veal divisions of

JANUARY MOVEMENT OF LIVE STOCK IN THE TENTH DISTRICT

	RECEIPTS				STOCKERS AND FEEDERS				PURCHASED FOR SLAUGHTER			
	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep
Kansas City.....	103,515	20,026	*198,546	107,100	39,799	2,354	3,134	17,525	57,138	21,427	*180,443	77,050
Omaha.....	113,940	8,101	165,042	136,106	14,105	992	1,154	7,497	73,805	7,109	130,477	110,847
St. Joseph.....	33,694	7,149	99,602	104,705	4,612	427	624	12,772	26,688	6,518	84,731	89,107
Denver.....	59,380	8,601	51,835	139,244	26,206	6,006	221	8,105	15,239	3,446	32,550	22,994
Oklahoma City.....	49,637	13,910	36,888	8,299	.....	.....	.....	.....	35,936	9,803	31,911	7,699
Wichita.....	27,223	6,189	20,966	17,695	.....	.....	.....	.....	12,046	4,927	19,494	17,551
January 1936.....	378,389	63,976	572,879	513,149	75,722	9,779	5,133	45,899	220,852	53,230	479,606	325,248
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
†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

*Includes 118,251 hogs shipped direct to packers' yards.

†Receipts include Government purchases of cattle and calves

meat packing establishments and an increase in the swine and mutton divisions from December to January. The slaughter of cattle declined 0.5 per cent and of calves 15.9 per cent as compared to January, 1935, while the slaughter of hogs increased 25.1 per cent and of sheep 21.9 per cent. Packers' purchases of cattle and calves during January exceeded the ten-year average volume by 5.2 and 32.5 per cent, respectively, but purchases of hogs were 42.4 and sheep 11.2 per cent below the average.

The Department of Agriculture report on Federally inspected live stock slaughter in the United States, excluding slaughter for Government relief purposes, showed increases in the slaughter of cattle, hogs, and sheep and a decrease in the slaughter of calves during January. Cattle slaughter was 11.3, hog slaughter 12.5, and sheep slaughter 14.5 per cent larger than in January, 1935, while calf slaughter was 2.4 per cent smaller. The slaughter of cattle, calves, and sheep exceeded the ten-year average volume by 23.6, 17.7, and 19.7 per cent, respectively, but the slaughter of hogs was 29.7 per cent below 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
January 1936.....	906,189	464,831	3,427,799	1,539,735
December 1935.....	892,173	480,878	2,874,855	1,368,654
January 1935.....	814,120	476,435	3,047,533	1,344,727

NOTE: Slaughter for Government relief purposes excluded.

Cold Storage Holdings

United States cold storage stocks of pork, lard, and miscellaneous meats increased somewhat more than seasonally during January, and there was a less than seasonal net withdrawal in stocks of beef, lamb and mutton, poultry, and cheese, while stocks of eggs and butter declined by more than the usual seasonal amount. Holdings of all commodities except eggs, butter, and cheese were below holdings on February 1, 1935. Storage stocks of beef were 43.6, miscellaneous meats 1.4, and cheese 23 per cent above the February 1 five-year average, while pork was 35.5, lamb and mutton 12.2, poultry 7.1, lard 20.3, cased eggs 49, and butter 40.8 per cent below the average.

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

	*Feb. 1 1936	Jan. 1 1936	Feb. 1 1935	Feb. 1 5-Yr. Av.
Beef, lbs.....	104,331	106,210	127,097	72,655
Pork, lbs.....	435,550	326,777	667,984	674,777
Lamb and mutton, lbs.....	2,821	3,025	3,819	3,212
Poultry, lbs.....	104,024	107,389	122,285	112,032
**Turkeys, lbs.....	20,548	16,819	23,516	16,295
Miscellaneous meats, lbs.....	79,334	74,376	109,715	78,277
Lard, lbs.....	75,771	52,718	112,497	95,030
Eggs, cases.....	159	964	39	312
Eggs, frozen (case equivalent).....	1,713	1,987	1,506	1,698
Butter, creamery, lbs.....	21,538	40,117	18,907	36,407
Cheese, all varieties, lbs.....	90,398	99,572	81,220	73,500

*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

Shipments of zinc ore and lead ore from Tri-State mines and tailing mills declined during the five weeks ended February 1, but shipments of zinc ore were 27.6 per cent above, while shipments of lead ore were 23.8 per cent below, shipments during the corresponding five weeks in 1935. Cold weather during the latter part of January resulted in an enforced curtailment of production and materially interfered with loading and tailing operations. There were only thirty-six mills in operation at the close of the month as compared to sixty-four during the first week of the month.

Zinc and lead prices were unchanged throughout January with zinc at \$32 per ton for the seventeenth consecutive week

and lead ore at \$47 per ton for the nineteenth consecutive week. Comparable quotations a year ago were \$26 for zinc and \$32 for lead.

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

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	25,935	\$ 829,920	2,614	\$122,858
Kansas.....	14,133	452,256	1,062	49,914
Missouri.....	2,882	92,224	220	10,340
5 Weeks ended Feb. 1, 1936.....	42,950	\$1,374,400	3,896	\$183,112
5 Weeks ended Dec. 28, 1935.....	51,322	1,642,304	10,272	482,784
5 Weeks ended Feb. 2, 1935.....	33,649	874,874	5,114	184,104

Petroleum

The estimated daily average flow and gross production of crude petroleum in the five oil producing states of the District declined 1.1 per cent during January, but there was an increase of 1.6 per cent compared to January, 1935, and production was 1.4 per cent above the average for the month.

Gross and daily average production, estimated from the weekly reports of the American Petroleum Institute for January, and officially reported by the Bureau of Mines for December and January, 1935:

	GROSS PRODUCTION		
	Jan. 1936 Barrels	Dec. 1935 Barrels	Jan. 1935 Barrels
Oklahoma.....	15,343,000	15,363,000	15,216,000
Kansas.....	4,333,000	4,452,000	4,246,000
Wyoming.....	1,093,000	1,168,000	1,103,000
Colorado.....	124,000	128,000	116,000
New Mexico.....	1,807,000	1,850,000	1,663,000
Total five states.....	22,700,000	22,961,000	22,344,000
Total United States.....	87,354,000	88,711,000	78,715,000

	DAILY AVERAGE PRODUCTION		
	Jan. 1936 Barrels	Dec. 1935 Barrels	Jan. 1935 Barrels
Oklahoma.....	494,900	495,600	490,800
Kansas.....	139,800	143,600	137,000
Wyoming.....	35,300	37,700	35,600
Colorado.....	4,000	4,100	3,700
New Mexico.....	58,300	59,700	53,600
Total five states.....	732,300	740,700	720,700
Total United States.....	2,817,873	2,861,600	2,539,200

Mid-continent crude oil prices increased 10 cents during January. Price schedules posted on January 9 ranged from 86 cents per barrel for oil testing below 25 degrees gravity to \$1.18 per barrel for that testing 40 degrees and over. The market for refined and natural gasoline improved during the middle of the month but later weakened under the influence of severe weather. Prices for heating oils were steady to firm throughout the month.

Coal

With the arrival of severe weather in the latter part of January, the production of bituminous coal at mines in the District increased 17.2 per cent, with all states sharing in the increase. Production was only slightly below average for the month and was 16.7 per cent larger than production in January, 1935.

	*Jan. 1936	*Dec. 1935	Jan. 1935
	Tons	Tons	Tons
Colorado.....	786,000	679,000	641,000
Kansas and Missouri.....	835,000	693,000	774,000
New Mexico.....	152,000	144,000	127,000
Oklahoma.....	308,000	199,000	226,000
Wyoming.....	555,000	535,000	490,000
Total six states.....	2,636,000	2,250,000	2,258,000
Total United States.....	38,600,000	34,829,000	36,681,000

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

National Summary of Business Conditions

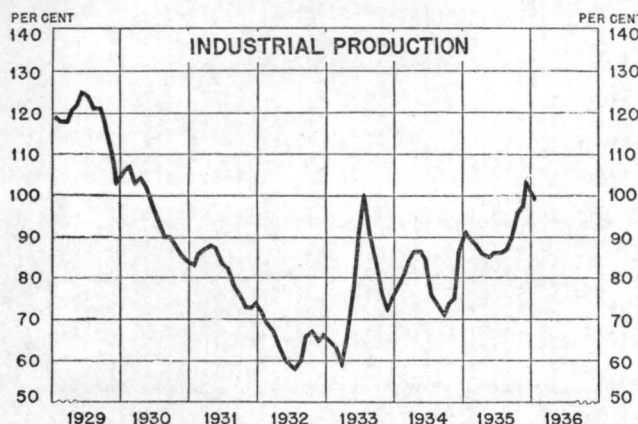
By the Board of Governors of the Federal Reserve System

Total volume of industrial production increased in January, but, owing to a decline in activity in the automobile and allied industries from an exceptionally high level in December, the increase was less than is usual at this season.

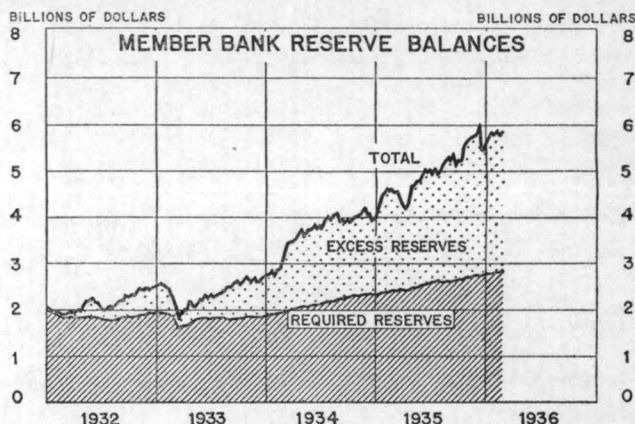
PRODUCTION AND EMPLOYMENT: Total output at factories increased by a smaller amount than is usual in January, while output at mines showed a seasonal increase. The Board's combined index of industrial production, which makes allow-

increases at this season, was unchanged, and at textile mills employment declined. Factory payrolls decreased by more than the usual amount.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was smaller in January than in December. Awards for publicly-financed projects decreased from the relatively high December figure, and there was a seasonal decline in contracts for residential construction.



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average=100. By months, January 1929 through January 1936.

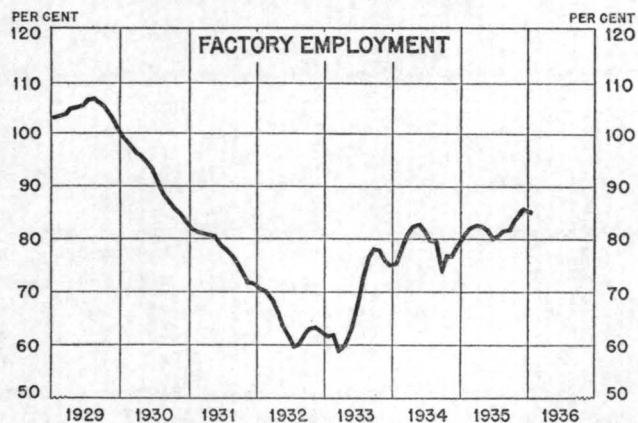


Wednesday figures of total member bank reserve balances at Federal Reserve banks, with estimates of required and excess reserves. January 6, 1932, through February 19, 1936.

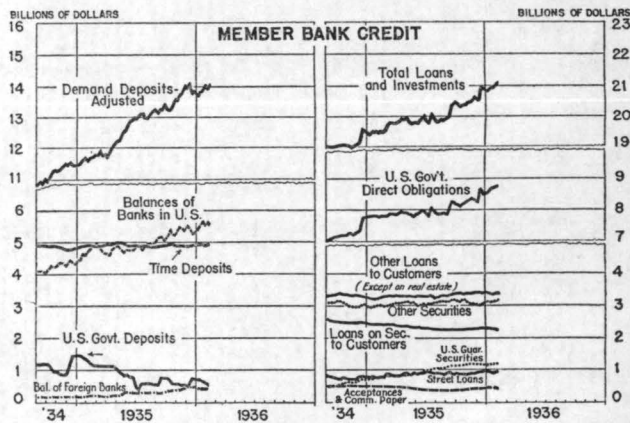
ance for seasonal changes, declined from 104 per cent of the 1923-1925 average in December to 99 per cent in January. This decrease reflected chiefly sharp reductions in output of steel and of automobiles from the high levels reached in December. In the first three weeks of February the average rate of operations at steel mills showed a smaller increase over the January average than is usual, and at automobile factories output was estimated to be at a lower level than in January. Smaller than seasonal increases in activity were reported at textile mills and at shoe factories, while output of food products

DISTRIBUTION: Retail trade was reduced more than seasonally in January, reflecting in part the influence of unusually severe weather. Sales by department stores, variety stores, and mail-order houses all declined by more than the usual seasonal amount. Freight-car loadings showed little change; loadings of coal increased considerably, while rail shipments of miscellaneous freight declined.

COMMODITY PRICES: The general level of wholesale commodity prices continued to show little change during January and the first three weeks of February. Prices of



Index of number employed, adjusted for seasonal variation, 1923-1925 average=100. By months, January 1929 through January 1936.



Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934, through February 12, 1936.

was in considerably larger volume in January than a month earlier.

Factory employment showed a small seasonal decrease between the middle of December and the middle of January. At automobile factories the number of workers, which usually

cotton textiles, flour, wheat, and silk declined, while prices of hogs, petroleum, coffee, and rubber increased considerably. Retail prices of foods decreased somewhat during January.

BANK CREDIT: Excess reserves of member banks fluctuated between January 22 and February 19 near a \$3,000,000-

000 level, changes reflecting principally fluctuations in Treasury holdings of cash and deposits with Federal Reserve banks.

Investments of weekly reporting member banks in leading cities increased by \$300,000,000 in the four weeks ending February 12, and reached the largest amount ever held by these banks, while loans decreased by \$130,000,000. Holdings of United States Government obligations increased by \$140,-

000,000, holdings of obligations guaranteed by the Government by \$50,000,000, and other securities by \$110,000,000.

Adjusted demand deposits of reporting member banks, which declined somewhat from the middle of December to the middle of January, increased by \$290,000,000 in the four weeks ending February 12, while United States Government deposits declined by \$150,000,000.