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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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No. 7

HEAVY general rains during May throughout the central portion of the Tenth District from central Nebraska and northeastern Colorado southward greatly improved pastures and prospects for late crops in that area and provided moisture to mature small grains, while the absence of rain during the first part of June was favorable for wheat harvesting operations, which had commenced in Kansas early in the month. In Wyoming and in northwestern Nebraska, early June rains temporarily relieved a drought situation which had developed during May, but by the third week in June the need for additional moisture was general throughout the District, particularly for corn and other field crops, the planting and cultivation of which had made good progress during May and the forepart of June after being delayed by dry soil conditions. Agricultural commodity prices declined two points between mid-April and mid-May to 103 per cent of the pre-war average, compared to 108 per cent on May 15, 1935, with the ratio of prices received by farmers to prices paid declining two points to 85 per cent of the average, the same as one year earlier.

Retail and wholesale trade improved during May, with the dollar volume of sales at thirty reporting department stores 14.1 per cent and of five representative wholesale lines combined 10.6 per cent greater than in May, 1935. Lumber sales and building operations were below the level of April but continued well above a year ago. The volume of payments by check was fractionally larger than in April and 11.5 per cent larger than in May of last year. Business failures remained at a low level.

The production of flour and shipments of lead ore increased during May, while the production of crude petroleum and bituminous coal decreased further and shipments of zinc ore declined with a dull demand for zinc concentrates. Shipments of zinc and lead and the output of crude oil were larger than in May, 1935, but the production of flour and coal declined compared to a year ago. Packers' purchases of live stock indicated a further general decline in meat packing operations in May, with only cattle and hog slaughter larger than in May of last year.

Marketings of grain and live stock generally declined further in May, while receipts of grain were heavier and of live stock lighter than in May, 1935. Receipts generally were below normal, particularly of wheat and hogs. Grain and live stock prices declined during the month, although hog and lamb prices were above the levels of May, 1935.

Member Bank Operations

Loans and discounts of fifty-two reporting member banks in the Tenth District increased slightly further between May 6 and June 10 to a level 14.2 per cent above that of June 12, 1935. These increases reflected principally an increase in "all other" loans, as the increase in loans on securities during

BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT
Percentages of Increase, or Decrease (—), for May 1936 over April 1936 and May 1935 and for the first five months of 1936 over the like period in 1935.

	May 1936 compared to		5 Months 1936 compared to	
	Apr. 1936	May 1935	5 Months 1935	
Banking				
Payments by check, 29 cities.....	0.7	11.5	11.8	
Federal Reserve Bank check collections	— 2.6	— 2.1	6.3	
Business failures, number.....	—14.3	—23.1	6.3	
Business failures, liabilities.....	7.5	—38.3	52.2	
Loans, 52 member banks.....	1.9	14.2	.....
Investments, 52 member banks.....	6.3	3.7	.....
Adjusted dem. depts., 52 member banks	5.1	4.1	.....
Time deposits, 45 selected banks.....	0.3	— 0.8	.....
Savings deposits, 45 selected banks.....	0.5	1.8	.....
Savings accounts, 45 selected banks.....	— 0.2	1.4	.....
Distribution				
Wholesalers' sales, 5 lines combined.....	1.5	10.6	8.9	
Retailers' sales, 30 department stores....	5.0	14.1	9.4	
Lumber sales, 158 retail yards.....	—13.5	26.9	50.3	
Life insurance, written.....	2.1	— 0.1	— 6.6	
Construction				
Building contracts awarded, value.....	— 0.5	88.7	61.4	
Residential contracts awarded, value....	11.2	76.0	85.6	
Building permits in 17 cities, value.....	—20.5	21.0	107.6	
Production				
Flour.....	4.6	— 5.0	— 4.8	
Crude petroleum.....	— 0.3	6.3	7.6	
Soft coal.....	—21.3	— 8.9	20.5	
Zinc ore (shipped) Tri-State district.....	—19.6	316.6	38.1	
Lead ore (shipped) Tri-State district....	22.5	581.9	41.1	
Cement.....	14.8	21.9	29.3	
Grain receipts, 5 markets				
Wheat.....	4.2	—20.3	25.5	
Corn.....	—35.8	32.5	48.3	
Oats.....	— 8.3	24.7	76.5	
Live stock receipts, 6 markets				
Cattle.....	—14.5	— 9.2	— 1.7	
Calves.....	—14.6	—21.1	—17.0	
Hogs.....	— 6.8	8.5	13.6	
Sheep.....	— 9.3	—11.9	— 2.7	
Horses and mules.....	—34.5	—31.8	—20.3	
Meat packing, 6 markets				
Cattle.....	— 9.5	0.7	13.7	
Calves.....	—12.5	—15.1	—11.9	
Hogs.....	— 6.4	14.6	15.4	
Sheep.....	—20.0	—36.9	— 7.2	
Stocker and feeder shipments, 4 markets				
Cattle.....	—31.1	—41.6	—21.7	
Calves.....	— 6.7	—57.6	—47.9	
Hogs.....	38.4	7.6	—36.0	
Sheep.....	128.9	327.7	13.3	

the five weeks and during the year was relatively small. Investments, following a slight decline in April, subsequently increased by 6.3 per cent during the five-week period ended June 10 and on that reporting date were 3.7 per cent larger than one year earlier. The increase during the five weeks reflected chiefly an increase in holdings of United States Government direct obligations, while the increase during the year reflected largely an increase in holdings of obligations fully guaranteed by the Government and in holdings of other securi-

ties. Reserves with the Federal Reserve Bank, which had increased in April, declined fractionally during the five weeks and on June 10 were 5.3 per cent below a year ago.

Adjusted demand deposits increased further by 5.1 per cent from May 6 to June 10 and there was a fractional increase in time deposits, while United States Government deposits and balances held for domestic banks declined slightly. Adjusted demand deposits at the close of the five-week period were 4.1 per cent and inter-bank deposits of domestic banks 11.2 per cent greater than one year 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:

	June 10, 1936	May 6, 1936	June 12, 1935
Loans and investments—total..	\$658,002,000	\$628,139,000	\$614,531,000
Loans and discounts—total.....	226,572,000	222,375,000	198,372,000
Secured by stocks and bonds.....	50,003,000	49,303,000	46,881,000
All other loans and discounts.....	176,569,000	173,072,000	151,491,000
Investments—total.....	431,430,000	405,764,000	416,159,000
U. S. securities direct.....	254,448,000	237,243,000	250,904,000
Obligations fully guaranteed by the U. S. Government.....	44,941,000	43,347,000	38,676,000
Other securities.....	132,041,000	125,174,000	126,579,000
Reserve with F. R. Bank.....	113,478,000	114,424,000	119,881,000
Demand deposits—adjusted.....	455,602,000	433,343,000	437,744,000
Time deposits.....	144,512,000	144,091,000	145,668,000
U. S. Government deposits.....	17,973,000	18,652,000	15,980,000
Inter-bank deposits:			
Domestic banks.....	352,182,000	354,697,000	316,823,000
Foreign banks.....	132,000	134,000	109,000

Reserve Bank Operations

Holdings of bills discounted, although showing a slight increase from May 6 to June 10, continued at a low level, and the small holdings of bills purchased declined. Industrial advances increased slightly during the five weeks but on June 10 were below their highest point of \$1,221,760 reached on April 15 of this year and were below the total of June 12, 1935. Commitments to make industrial advances totaled \$1,575,500 at their peak on February 15 of this year but had declined to \$476,705 by June 10. Holdings of United States Government securities were unchanged during the five weeks at a level 9.4 per cent above that of a year ago.

Federal Reserve note circulation, which had increased in April, declined slightly between May 6 and June 10 but on that reporting date was 19.1 per cent greater than on June 12, 1935. Member banks' reserve deposits, following an increase in April, declined fractionally during the five weeks to a level 7.9 per cent below that of one year earlier.

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:

	June 10, 1936	May 6, 1936	June 12, 1935
Total reserves.....	\$234,135,285	\$241,564,938	\$206,390,498
Bills discounted.....	253,618	141,270	106,913
Bills purchased.....	86,584	133,256	126,896
Industrial advances.....	992,495	943,118	1,137,565
U. S. securities.....	116,844,200	116,844,200	108,844,250
Total bills and securities.....	118,357,897	118,242,844	108,215,624
Total resources.....	387,064,972	394,467,064	350,767,981
F. R. notes in circulation.....	143,359,295	146,361,475	120,374,075
Member banks' reserve deposits.....	173,017,777	173,505,066	187,805,761

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

Reserve Bank Check Collections

Transit operations of this bank and its branches declined during May, with the dollar volume of check collections below and the number of checks handled above that of May, 1935. Check collections during the first five months of this year increased 6.3 per cent in dollar volume and 11.1 per cent in the number of items compared to the first five months of last year.

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

	ITEMS		AMOUNT	
	1936	1935	1936	1935
May.....	5,846,590	5,194,074	\$ 835,298,000	\$ 853,482,000
April.....	5,984,869	5,341,879	857,426,000	809,243,000
Five months.....	28,929,638	26,030,498	4,248,762,000	3,997,024,000

Bank Debits

Debits by banks to individual accounts in twenty-nine reporting cities in the District during the five weeks ended June 3 were fractionally larger than in the preceding five-week period and 11.5 per cent larger than in the corresponding five-week period of last year. Check payments for the first twenty-two weeks of 1936 exceeded the total for the same period in 1935 by 11.8 per cent.

PAYMENTS BY CHECK

	FIVE WEEKS ENDED		Per cent Change
	June 3, 1936	June 5, 1935	
Albuquerque, N. M.....	\$ 13,146,000	\$ 12,610,000	4.3
Atchison, Kans.....	3,530,000	3,812,000	7.4
Bartlesville, Okla.....	28,176,000	24,523,000	14.9
Casper, Wyo.....	5,948,000	4,667,000	27.4
Cheyenne, Wyo.....	8,717,000	7,844,000	11.1
Colorado Springs, Colo.....	16,271,000	13,118,000	24.0
Denver, Colo.....	182,255,000	160,567,000	13.5
*Emporia, Kans.....	3,853,000	.....	.....
Enid, Okla.....	9,554,000	9,672,000	1.2
Fremont, Nebr.....	3,058,000	2,766,000	10.6
Grand Junction, Colo.....	3,325,000	2,623,000	26.8
Guthrie, Okla.....	1,595,000	1,676,000	4.8
Hutchinson, Kans.....	11,538,000	11,974,000	3.6
Independence, Kans.....	2,557,000	2,489,000	2.7
Joplin, Mo.....	10,383,000	8,966,000	15.8
Kansas City, Kans.....	14,644,000	14,237,000	2.9
Kansas City, Mo.....	333,777,000	322,354,000	3.5
Lawrence, Kans.....	3,486,000	3,361,000	3.7
Lincoln, Nebr.....	32,245,000	29,650,000	8.8
Muskogee, Okla.....	8,705,000	7,306,000	19.1
Oklahoma City, Okla.....	107,387,000	90,108,000	19.2
Okmulgee, Okla.....	3,179,000	2,958,000	7.5
Omaha, Nebr.....	170,990,000	144,691,000	18.2
Pittsburg, Kans.....	4,027,000	3,596,000	12.0
Pueblo, Colo.....	15,418,000	15,692,000	1.7
Salina, Kans.....	8,411,000	9,738,000	13.6
St. Joseph, Mo.....	30,384,000	30,872,000	1.6
Topeka, Kans.....	18,113,000	17,341,000	4.5
Tulsa, Okla.....	143,304,000	111,235,000	28.8
Wichita, Kans.....	47,698,000	43,224,000	10.4
Total 29 cities, 5 weeks.....	\$ 1,241,821,000	\$ 1,113,670,000	11.5
Total 29 cities, 22 weeks.....	5,369,637,000	4,804,251,000	11.8
U. S. 273 cities, 5 weeks.....	42,981,302,000	36,630,926,000	17.3
U. S. 273 cities, 22 weeks.....	190,401,925,000	164,023,871,000	16.1

*Not included in totals.

Savings

Savings deposits at forty-five selected banks in leading cities of the District increased slightly from May 1 to June 1, while the number of savings accounts showed a slight decrease. Savings deposits on June 1 were 1.8 per cent and the number of accounts 1.4 per cent greater than on June 1, 1935.

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

	Savings Accounts	Savings Deposits
June 1, 1936.....	408,071	\$125,672,748
May 1, 1936.....	408,715	125,008,400
June 1, 1935.....	402,525	123,467,223

Business Failures

Commercial failures in the Tenth District during May were smaller in number and in the amount of liabilities involved than in any May since 1920. There was also a decline in number compared to April but a slight increase in the amount of liabilities. By divisions of industry, there were twenty-two

RETAIL TRADE AT 30 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT

In Percentages of Increase or Decrease

Stores Reporting	SALES		STOCKS (RETAIL)				STOCK TURNOVER				ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED	
	May 1936	Year 1936	May 31, 1936		Year		May 31, 1936		May 31, 1936		May 1936			
	compared to	compared to	Apr. 30, 1936	May 31, 1935	1936	1935	1936	1935	Apr. 30, 1936	May 31, 1935	Apr. 1936	May 1935		
Kansas City.....	4	16.5	9.9	- 2.5	- 0.1	.33	.28	1.61	1.36	4.2	18.8	- 2.0	15.5	
Denver.....	4	18.0	12.0	0.2	3.2	.32	.28	1.48	1.40	0.8	8.1	9.0	13.0	
Oklahoma City....	3	7.6	7.7	- 2.1	6.5	.36	.36	1.77	1.73	- 2.5	5.3	- 1.2	8.8	
Tulsa.....	3	12.1	10.4	- 3.5	8.4	.37	.35	1.81	1.74	1.3	11.0	4.2	15.6	
Wichita.....	3	4.0	4.9	- 3.7	- 0.8	.29	.28	1.41	1.42	- 3.1	2.4	4.0	15.3	
Other cities.....	13	14.0	8.0	- 4.9	- 1.5	.31	.27	1.30	1.20	4.5	9.2	- 0.7	6.9	
Total.....	30	14.1	9.4	- 2.4	1.6	.32	.29	1.51	1.39	1.7	9.8	2.6	11.9	

NOTE: Percentage of collections in May on open accounts April 30, all stores reporting, 45.6. Collections same month last year, 44.6.

retail, three manufacturing, three wholesale, and two commercial service failures in the District during May.

Business failures reported by Dun and Bradstreet, Incorporated:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
May 1936.....	30	\$ 243,000	832	\$1,375,000
April 1936.....	35	226,000	830	1,157,000
May 1935.....	39	394,000	1,004	14,339,000
Five months 1936.....	201	2,786,000	4,541	77,996,000
Five months 1935.....	189	1,830,000	5,129	76,049,000

Life Insurance

Sales of new paid-for ordinary life insurance in the seven states in the District increased 2.1 per cent during May and were approximately the same as in May, 1935. Sales for the first five months of 1936 decreased 6.6 per cent compared to sales during the first five months of 1935.

Life insurance sales reported to the Life Insurance Sales Research Bureau:

	May 1936	April 1936	May 1935
Colorado.....	\$ 4,067,000	\$ 4,718,000	\$ 4,286,000
Kansas.....	4,836,000	4,991,000	5,086,000
Missouri.....	14,982,000	14,450,000	15,396,000
Nebraska.....	5,330,000	4,301,000	5,148,000
New Mexico.....	878,000	933,000	647,000
Oklahoma.....	5,505,000	5,332,000	5,126,000
Wyoming.....	776,000	913,000	724,000
Seven states.....	\$ 36,374,000	\$ 35,638,000	\$ 36,413,000
United States.....	503,530,000	506,207,000	500,380,000

Trade

RETAIL: The dollar volume of sales at thirty reporting department stores in leading cities of the District increased 5 per cent from April to May, reflecting favorable weather for the movement of seasonal merchandise and the general improvement in trade conditions following the receipt of widespread, beneficial rains, and was 14.1 per cent greater than in May, 1935, when unseasonably cool weather and frequent rains throughout the month retarded the distribution of summer merchandise. Sales for the first five months of 1936 exceeded sales during the first five months of last year by 9.4 per cent.

Stocks of merchandise declined 2.4 per cent between April 30 and May 31 but were 1.6 per cent greater at the close of May than one year earlier. Collections on open accounts during May averaged 45.6 per cent of amounts receivable at the close

of the preceding month, compared to collection ratios of 45.4 per cent in April and 44.6 per cent in May, 1935. Collections on installment accounts averaged 15.2 per cent in May, 16.3 per cent in April, and 15 per cent in May of last year.

WHOLESALE: The combined dollar volume of five representative wholesale lines reporting to this bank increased 1.5 per cent during May and was 10.6 per cent greater than in May of last year. All lines except drugs reported sales increases compared to April and all lines without exception an increase compared to a year ago. The combined sales volume for the first five months of 1936 exceeded sales during the first five months of 1935 by 8.9 per cent. By individual lines, sales of dry goods increased 3.7 per cent during the five-month period, groceries 2.5 per cent, hardware 16.5 per cent, furniture 14.9 per cent, and drugs 10.9 per cent.

Stocks of merchandise of the five lines combined decreased 1.5 per cent from April 30 to May 31 and on that date were fractionally smaller than on May 31, 1935. Stocks of dry goods and drugs increased during May, while stocks of groceries, hardware, and furniture decreased. Stocks of hardware, furniture, and drugs at the close of May were larger than one year earlier, but stocks of dry goods and groceries had declined during the year.

Lumber

Sales of lumber in board feet at 158 reporting retail yards in the District during May were somewhat smaller than in April but were 26.9 per cent larger than in May, 1935. During the first five months of 1936, sales in board feet increased 50.3 per cent compared to sales for the first five months of last year.

Inventory changes during May were slight, but lumber stocks at the close of the month were 21 per cent heavier than a year ago. Collections during May averaged 43.1 per cent of amounts outstanding at the close of the preceding month compared to a ratio of 45.5 per cent in April and of 43.8 per cent in May, 1935.

May business at the 158 reporting yards, in percentages of increase or decrease (—):

	May 1936 compared to	
	April 1936	May 1935
Sales of lumber, board feet.....	-13.5	26.9
Sales of all materials, dollars.....	- 3.5	20.1
Stocks of lumber, board feet.....	0.9	21.0
Outstandings, end of month.....	6.6	31.4

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

In Percentages of Increase or Decrease

Stores Reporting	SALES		OUTSTANDINGS		AMOUNTS COLLECTED		STOCKS		
	May 1936	Year 1936	May 31, 1936	Year	May 1936	Year	May 31, 1936	Year	
	compared to	compared to	compared to	compared to	compared to	compared to	compared to	compared to	
Dry goods.....	5	4.5	9.0	0.7	- 0.1	3.7	8.3	1.1	- 3.0
Groceries.....	5	4.3	4.9	5.6	- 6.5	0.1	6.9	2.8	-13.7
Hardware.....	7	5.2	23.2	2.3	4.9	3.2	13.3	5.1	7.9
Furniture.....	3	0.4	13.3	4.9	29.2	2.3	15.4	7.3	11.2
Drugs.....	7	5.2	5.9	3.6	5.4	- 2.2	11.0	0.8	19.3

Lumber production in the United States for the current year to May 30, according to reports of the National Lumber Manufacturers Association, was 42 per cent above production for the same period in 1935. Lumber shipments and lumber orders booked this year were 26 and 19 per cent, respectively, above shipments and orders a year ago.

Building

The total value of construction contracts awarded in the Tenth District during May, according to statistics of the F.W. Dodge Corporation, was about the same as in April, while the value of residential contracts awarded showed an increase. Awards exceeded the volume in May, 1935, by a substantial margin, with total awards the highest for any May since 1931 and residential awards the highest for the month since 1930. Total awards for the current year to June 1 increased 61.4 per cent compared to the corresponding period in 1935.

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

	RESIDENTIAL		TOTAL	
	Tenth District	United States	Tenth District	United States
May 1936....	\$ 2,734,343	\$ 70,253,400	\$10,889,002	\$216,070,700
April 1936....	2,459,885	67,151,000	10,939,733	234,806,300
May 1935....	1,553,305	44,901,500	5,771,912	126,718,600
5 Mos. 1936	10,577,568	261,290,000	47,357,668	996,748,300
5 Mos. 1935	5,698,444	158,416,700	29,335,889	548,904,100

Permits and expenditures for construction in seventeen cities in the District during May were smaller than in April but continued above a year ago. The number of permits issued was the largest for any May since 1930 and the estimated cost was the highest for that month since 1931. During the first five months of 1936, permits increased by one-fifth while expenditures doubled compared to the first five months of 1935.

BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1936	1935	1936	1935
Albuquerque, N. M.....	61	60	\$ 368,323	\$ 57,449
Cheyenne, Wyo.....	86	40	143,605	55,966
Colorado Springs, Colo.....	42	30	42,230	9,613
Denver, Colo.....	414	334	485,384	273,941
Joplin, Mo.....	18	17	22,800	9,950
Kansas City, Kans.....	44	36	79,560	20,345
Kansas City, Mo.....	231	206	228,900	1,052,600
Lincoln, Nebr.....	179	113	83,337	58,082
Oklahoma City, Okla.....	192	122	276,590	156,985
Omaha, Nebr.....	147	137	231,829	121,864
Pueblo, Colo.....	54	81	23,945	38,383
Salina, Kans.....	20	13	48,323	7,325
Shawnee, Okla.....	19	15	21,046	14,925
St. Joseph, Mo.....	55	27	39,745	13,475
Topeka, Kans.....	87	56	185,150	71,505
Tulsa, Okla.....	83	105	213,867	125,016
Wichita, Kans.....	193	193	203,219	134,249
Total 17 cities, May.....	1,925	1,585	\$ 2,688,853	\$ 2,221,673
Five months.....	7,723	6,440	15,124,118	7,285,426

Flour Milling

Flour milling operations in the District were increased from 55.2 per cent of full-time capacity in April to 57.8 per cent in May, and production increased 4.6 per cent. Production during May was 10.3 per cent below the average for the month during the past ten years and was 5 per cent below production in May, 1935, when milling operations averaged 58.3 per cent of capacity. Production for the current year to June 1 declined 4.8 per cent compared to production for the same period in 1935.

Although the total volume of flour sales in the southwest during May was somewhat below that of April, there was a good run of small flour bookings during the first two weeks and a few large round lot sales in the third week of the month as declines in the wheat market narrowed the spread between old crop and new crop wheat and as flour prices continued the

decline begun late in April. Buyers evidenced increasing interest in new crop flour. The volume of unfilled orders on mills' books was reported moderately large, but shipping directions were difficult to obtain toward the end of the month when business turned dull and necessitated a reduction in running time. Prices of bran weakened steadily with the continued improvement in pasturage, but prices of shorts, the small supplies of which were in broad demand for spring pig and poultry feeding, closed the month only slightly lower.

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

	May 1936	April 1936	May 1935
	Barrels	Barrels	Barrels
Atchison.....	114,783	107,408	128,922
Kansas City.....	476,930	470,155	497,088
Salina.....	153,627	152,293	154,930
Wichita.....	152,022	122,023	155,815
Outside.....	894,875	861,846	949,718
Total.....	1,792,237	1,713,725	1,886,473
*United States.....	5,004,892	4,992,363	4,878,639

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

Grain Marketing

The movement of wheat, barley, and kafir to the five principal markets in the District increased during May, while the movement of corn, oats, and rye declined. As in the preceding month, marketings of all grains except wheat were heavier than a year ago. Receipts of wheat represented 41.7, corn 92.2, oats 93.5, and kafir 37.5 per cent of the average May volume during the past ten years, while receipts of rye and barley exceeded the average. Marketings for the first five months of 1936 showed substantial increases compared to marketings for the same period in 1935, reflecting increased crop production last year.

Receipts of grain at the five markets:

	Wheat	Corn	Oats	Rye	Barley	Kafir
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Hutchinson.....	442,800	.....	.....	.....	.....	3,900
Kansas City.....	1,726,400	1,716,000	312,000	4,500	84,800	96,600
Omaha.....	498,385	1,094,800	268,000	54,600	187,200	.....
St. Joseph.....	123,200	396,000	198,000	1,500	19,250	1,500
Wichita.....	228,000	377,000	.....	.....	.....	6,500
May 1936.....	3,018,785	3,244,500	778,000	60,600	291,250	108,500
April 1936.....	2,896,387	5,053,700	848,000	66,300	277,300	93,300
May 1935.....	3,786,364	2,449,150	624,000	24,000	8,000	62,600
5 Mos. 1936.....	18,012,677	18,215,418	5,157,000	293,000	1,201,750	563,800
5 Mos. 1935.....	14,351,143	12,285,460	2,922,500	83,800	71,350	287,000

Cash grain prices at the Kansas City market generally declined during May in response to favorable new crop prospects, with wheat down 11 cents per bushel and corn down 1½ cents despite a fairly active feeding demand which reflected the continued favorable corn-hog ratio. All grain prices except wheat closed the month at a level somewhat below that of a year ago.

Cash grain prices at Kansas City:

	June 15	May 29	Apr. 30	June 15	May 31	May 31
	1936	1936	1936	1935	1935	1934
No. 1 hard, dk. wheat, bu. \$	.87	.88	.99	\$.82½	\$.89	\$.94½
No. 2 mixed corn, bu.....	.61	.60½	.62	.83½	.85½	.55
No. 2 white oats, bu.....	.26½	.25½	.26	.39½	.38	.41
No. 2 rye, bu.....	.56	.52	.51	.53	.60	.72
No. 2 barley, bu.....	.43	.45	.44	.56	.55	.55
No. 2 white kafir, cwt.....	1.16	1.10	1.13	1.78	1.99	1.03

Crops

Heavy general rains during May throughout the central portion of the District from central Nebraska and northeastern Colorado southward greatly improved prospects for late crops, providing sufficient moisture to mature small grains and to promote a good growth of hay, pastures, and row crops. In

PERCENTAGE OF CONDITION OF TENTH DISTRICT CROPS ON JUNE 1, 1936, COMPARED TO THE 1923-1932 AVERAGE

From reports of the United States Department of Agriculture

	Spring Wheat		Oats		Rye		Barley		Tame Hay		Wild Hay		Pastures		Apples		Peaches	
	1936	Aver.	1936	Aver.	1936	Aver.	1936	Aver.	1936	Aver.	1936	Aver.	1936	Aver.	1936	Aver.	1936	Aver.
Colorado.....	78	85	83	86	70	80	79	85	82	86	86	88	76	86	70	74	80	76
Kansas.....	63	72	61	73	80	77	64	71	79	79	78	82	75	84	29	56	16	37
Missouri.....	68	76	57	71	77	80	63	78	63	73	68	80	72	79	25	57	9	40
Nebraska.....	71	85	74	83	75	82	80	84	79	83	86	83	77	84	63	62	20	47
New Mexico.....	74	81	72	80	.....	.....	72	81	76	85	66	82	65	80	45	62	26	42
Oklahoma.....	.....	.....	49	70	57	77	44	69	64	78	67	81	64	82	6	51	1	35
Wyoming.....	69	90	70	91	58	88	70	92	72	90	67	90	61	93	52	82	.....	.....
United States.....	66.9	82.7	74.5	81.4	63.2	79.6	75.3	82.6	75.7	80.6	72.3	79.0	74.5	81.3	46.7	67.8	51.3	64.7

much of this area, however, winter wheat was too far advanced to be benefited materially. The June 1 condition of all crops was generally somewhat below the average for that date, particularly in Oklahoma, where moisture had been deficient all year until the May rains occurred, and in Wyoming and northwestern Nebraska, where unusually hot, dry weather during May resulted in considerable crop deterioration, although subsequent rains during the first part of June afforded temporary relief to these latter areas. Irrigation water supplies continued good in Colorado and were reported ample for the present in Wyoming. The prevalence of grasshoppers was a threat to all crops.

Winter wheat production in the seven states in this District was estimated at 233,771,000 bushels on the basis of the June 1 condition compared to an estimate of 212,736,000 bushels one month earlier, 157,594,000 bushels harvested in 1935, and an average of 325,059,000 bushels harvested during the years 1928 to 1932. The indicated 1936 production was the largest for the District since 1931. Winter wheat prospects improved in Kansas and Nebraska during May but remained unchanged or declined slightly elsewhere in the District. Harvest had commenced in Kansas in the early part of June but was expected to be later than last year in Oklahoma where a larger percentage of the crop than usual would be harvested with combines because much of the wheat was too short to bind.

Winter wheat production, as estimated by the United States Department of Agriculture, in thousands of bushels:

	Indicated	Indicated	Final	Final	Final	Average
	June 1, 1936	May 1, 1936				
7 States.....	233,771	212,736	157,594	158,087	136,275	325,059
U. S.....	481,870	463,708	433,447	405,552	350,792	618,186

The spring wheat crop in Nebraska and Wyoming was handicapped during May by deficient moisture and above normal temperatures which resulted in a June 1 condition well

below the average. Rains since June 1 partly relieved this situation, but a good yield depended upon unusually favorable weather conditions during the remainder of the season. The spring wheat acreage in western Nebraska was large, owing to the heavy abandonment of winter wheat in that area. Rye prospects in Nebraska, the principal producing state in this District, showed a slight improvement during May. The June 1 condition of barley was 4 points below the average in Nebraska, 7 points below in Kansas, and 6 points below in Colorado. The condition of oats generally was poor, owing to a shortage of moisture at seeding time, low temperatures in April, and smut damage in some areas since heading.

Corn planting and the planting of grain sorghums was well advanced after being delayed by low temperatures and dry soil, and cultivation had started. The condition of hay and pastures, while still low on June 1, had begun to improve except in Wyoming, with a prospect of substantial further improvement. The first cutting of alfalfa had generally been completed by the middle of June at a fair yield. The potato crop in the Kaw Valley of Kansas was reported as the largest since 1930. Substantially below normal fruit crops except in Colorado were anticipated as a result of low temperatures during the winter and spring.

Live Stock

MARKETINGS: Live stock receipts at the six principal markets in the District, including direct shipments of hogs to packers, declined further during May and, as in the preceding month, were smaller than a year ago with the exception of hog receipts, which increased 8.5 per cent compared to receipts in May, 1935, although representing but 41.3 per cent of the average May volume during the past ten years. Receipts of cattle represented 77.5, calves 94, and sheep 89.7 per cent of the average volume. Marketings for the current year to June 1 showed an increase for hogs but decreases for all other species compared to marketings for the same period last year. Marketings of horses and mules totaled 6,179 head during May, the average number for that month, compared to 9,439 head in April and 9,063 head in May, 1935.

PRICES: Live stock prices at the Kansas City market followed a predominantly lower seasonal trend during May,

MAY 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.....	68,797	17,207	*120,587	119,895	24,580	2,973	2,887	30,927	38,189	14,228	*109,409	66,660
Omaha.....	104,170	5,224	102,953	146,554	8,057	961	1,244	41,183	70,549	4,263	83,834	77,011
St. Joseph.....	24,711	7,530	56,979	76,168	2,724	575	533	7,677	18,687	6,691	52,384	60,357
Denver.....	28,640	4,884	29,273	204,067	7,257	2,740	123	20,711	12,922	2,196	21,711	23,134
Oklahoma City.....	31,416	8,040	29,302	12,339	.....	.....	.....	.....	20,703	3,175	25,111	11,257
Wichita.....	17,622	4,067	21,817	15,447	.....	.....	.....	.....	7,619	3,692	19,798	14,886
May 1936.....	275,356	46,952	360,911	574,470	42,618	7,249	4,787	100,498	168,669	34,245	312,247	253,305
April 1936.....	321,878	54,977	387,192	633,369	61,977	7,766	3,458	43,912	186,397	39,119	333,720	316,545
May 1935.....	303,222	59,487	332,520	651,996	72,929	17,078	4,448	23,498	167,547	40,343	272,420	401,187
Five months 1936.....	1,604,596	265,792	2,190,395	2,905,088	275,793	33,000	19,654	248,661	952,074	212,019	1,831,574	1,565,711
†Five months 1935.....	1,633,077	320,323	1,928,108	2,985,574	352,217	63,346	30,695	219,403	837,488	240,690	1,587,501	1,687,035

*Includes 76,221 hogs shipped direct to packers' yards. †Receipts include Government purchases of cattle and calves.

but a slight improvement toward the end of the month reduced net losses on the principal classes to about 10 cents to \$1.00 per hundredweight. Prices of heavyweight beef steers, influenced by a continued sluggish demand for dressed beef, declined to the lowest level of the current year near the middle of May and closed the month 75 cents to \$1.00 lower, although prices of lightweight cattle made moderate advances, owing to the broad demand for the light supplies of that class. The top for beef steers was \$8.80 compared to \$13.00 a year ago. Stocker and feeder cattle prices were steady to slightly lower. Hog values declined during the first part of May to the lowest level since last November, with closing prices on the principal killing classes 30 to 50 cents below final April levels. Butcherweights sold up to \$10.10 compared to \$9.80 in May of last year. Prices of stock pigs were slightly lower. The native movement of grass lambs was unusually slow in getting under way because of backward growing conditions, and spring lamb prices were steady to 10 cents lower. The month's top for spring lambs was \$12.25 compared to \$9.65 in May, 1935, and the six-year peak of \$12.35 reached in April of this year. Prices of mature sheep declined \$1.85 to \$2.25, owing to a liberal seasonal marketing of flock cullings.

STOCKERS AND FEEDERS: The countryward movement of stocker and feeder cattle and calves from four markets in the District during May was smaller than in April or in May of last year, but shipments of hogs and sheep showed increases. A year ago the cattle feeding ratio was relatively more favorable than at the present time and the volume of cattle and calf shipments was unusually large, while shipments of hogs and sheep were at a low level. The outward movement of cattle during May represented 65.2, calves 87.5, and hogs 41.7 per cent of the ten-year average for the month, with shipments of sheep exceeding the average by 58.7 per cent. Shipments for the first five months of 1936 showed a decrease in cattle, calf, and hog numbers and an increase in the number of sheep compared to shipments for the first five months of 1935.

RANGES AND PASTURES: Heavy general rains during May in the southern part of the Great Plains area from central Nebraska and northeastern Colorado southward resulted in a marked improvement in range conditions, although a few southwestern areas still had a limited supply of subsoil moisture. Ranges in western Nebraska gained 4, western Kansas 17, Colorado 7, Oklahoma 16, and New Mexico 4 condition points. In western Nebraska and in New Mexico, the June 1 condition of both ranges and live stock exceeded the ten-year average. Ranges in Wyoming, however, declined 16 points during the month because of a shortage of moisture and high temperatures, but early June rains temporarily relieved the drought situation and checked the forced movement of cattle.

Cattle and sheep made good gains during May with improved green feed and ample stock water following the rains and on June 1 were generally in good condition except in the dry areas. Death losses have been light this year. Good calf crops and late lamb crops were reported generally. There was some contracting of lambs during the month, but cattle sales were very limited. Considerable wool was sold in Wyoming during the latter half of May and a few sales occurred in New Mexico, where shearing was well under way and was expected to be completed by the end of June.

The Bureau of Agricultural Economics estimated the spring, January 1 to May 31, movement of cattle into the Blue Stem and Osage pastures of Kansas and Oklahoma at 253,000 head compared to 269,000 last year, 309,000 in 1934, 315,000 in 1933, and an average of 356,000 for the years 1928 to 1932. The total number of cattle on pasture in these two sections on June 1 was considerably smaller than a year ago, owing to declines

of about 6 per cent in the movement this spring and of about 10 to 15 per cent in the number of cattle wintered over, but pastures were fairly well stocked as contracts provided larger acreage guarantees because of the effects of the dry summers the past two years. The spring movement was delayed somewhat by the lateness of the grass, but recent rains have assured a good supply of feed and stock water and it was expected that the cattle could be marketed earlier than usual.

Meat Packing

Packers' purchases at the six principal live stock markets in the District, including direct shipments of hogs, indicated a further general decline in meat packing operations during May, while the slaughter of cattle and hogs continued at a level above a year ago. Purchases of cattle represented 83.7, calves 89.5, hogs 43.1, and sheep 63.3 per cent of the average May volume during the past ten years. Slaughter totals for the first five months of 1936 showed increases in the slaughter of cattle and hogs and decreases in the slaughter of calves and sheep compared to the first five months of 1935.

The national totals of Federally inspected commercial live stock slaughter showed a slight decrease in the slaughter of cattle, calves, and sheep but a fractional seasonal increase in the slaughter of hogs during May. Cattle and calf slaughter continued at a high level, exceeding the ten-year average for May by 7.7 and 8.2 per cent, respectively, while sheep slaughter was 4.9 and hog slaughter 29.2 per cent below the average volume. Sheep slaughter was the smallest for any May since 1929 and hog slaughter, except for May, 1935, the smallest since 1910. Slaughter for the current year to June 1 showed an increase for all classes of meat animals except sheep compared to the same period in 1935.

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
May 1936.....	785,516	502,933	2,579,414	1,212,725
April 1936.....	812,290	524,671	2,558,733	1,266,791
May 1935.....	735,450	508,029	2,172,108	1,584,125
Five months 1936....	4,008,474	2,380,290	13,502,289	6,707,468
Five months 1935....	3,559,920	2,354,037	11,964,500	6,923,211

NOTE: Slaughter for Government relief purposes excluded.

Coal

Bituminous coal production in the District showed a further seasonal decrease during May and was 8.9 per cent below production in May, 1935, when output was at an unusually high level for that month in recent years. Production for the current year to June 1 increased 20.5 per cent compared to production for the same period of last year.

Bituminous coal production reported by the Bureau of Mines:

	*May 1936 Tons	April 1936 Tons	May 1935 Tons
Colorado.....	279,000	426,000	336,000
Kansas and Missouri.....	349,000	400,000	346,000
New Mexico.....	102,000	115,000	104,000
Oklahoma.....	39,000	45,000	41,000
Wyoming.....	326,000	406,000	375,000
Six states.....	1,095,000	1,392,000	1,202,000
United States.....	28,678,000	30,318,000	26,849,000

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

Zinc and Lead

Shipments of zinc ore from Tri-State mines and tailing mills declined during the four weeks ended May 30, reflecting the dull demand for zinc concentrates, while deliveries of lead ore increased. Production continued at a level somewhat above shipments, and surplus stocks in mine bins increased further. A substantial increase in shipments, compared to the corresponding four-week period a year ago was attributable in large

part to a strike of mine, mill, and smelter workers in May of last year and raised the cumulative gain in shipments during the first twenty-two weeks of 1936 to 38.1 per cent for zinc and 41.1 per cent for lead compared to shipments during the same period in 1935.

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.....	16,914	\$ 541,248	2,523	\$ 126,150
Kansas.....	11,388	364,416	703	35,150
Missouri.....	3,028	96,896	204	10,200
4 Weeks ended May 30, 1936.....	31,330	\$1,002,560	3,430	\$ 171,500
4 Weeks ended May 2, 1936.....	38,980	1,247,360	2,800	140,000
4 Weeks ended June 1, 1935.....	7,521	195,546	503	18,108
22 Weeks ended May 30, 1936.....	191,620	6,130,240	21,689	1,062,050
22 Weeks ended June 1, 1935.....	138,715	3,598,607	15,366	533,436

Prices at the Joplin market were unchanged during May at \$32 per ton for zinc and \$50 per ton for lead compared to \$26 and \$36, respectively, a year ago. During the first twenty-two weeks of 1936, zinc prices averaged \$32 per ton and lead prices \$48.90 per ton compared to an average of \$26 for zinc and \$34.72 for lead during the first twenty-two weeks of 1935.

Petroleum

The daily average flow of crude oil in the District declined 3.5 per cent during May, but gross production, with one more producing day, showed little change. Production was 6.3 per cent above that of May, 1935, and exceeded the average May volume during the past ten years by about the same amount. Production for the current year to June 1 was 7.6 per cent greater than during the same period in 1935.

Gross and daily average production, estimated from the weekly reports of the American Petroleum Institute for May, and officially reported by the Bureau of Mines for April, 1936, and May, 1935:

	GROSS PRODUCTION		
	May 1936 Barrels	April 1936 Barrels	May 1935 Barrels
Oklahoma.....	16,932,000	17,226,000	16,215,000
Kansas.....	4,857,000	4,908,000	4,736,000
Wyoming.....	1,167,000	1,104,000	1,155,000
Colorado.....	140,000	159,000	123,000
New Mexico.....	2,313,000	2,088,000	1,675,000
Total five states.....	25,409,000	25,485,000	23,904,000
Total United States.....	92,233,000	90,479,000	82,454,000

DAILY AVERAGE PRODUCTION

	May 1936 Barrels	April 1936 Barrels	May 1935 Barrels
Oklahoma.....	546,200	574,200	523,100
Kansas.....	156,700	163,600	152,800
Wyoming.....	37,600	36,800	37,300
Colorado.....	4,500	5,300	4,000
New Mexico.....	74,600	69,600	54,000

Total five states.....	819,600	849,500	771,200
Total United States.....	2,975,300	3,016,000	2,659,800

Mid-continent crude oil prices have remained unchanged since January 9 at schedules ranging from 86 cents to \$1.18 per barrel according to gravity. In an effort to strengthen the crude price structure, the oil producing states in the mid-continent area agreed to maintain production during June within the totals recommended by the Bureau of Mines.

Cold Storage Holdings

There was a seasonal decline in United States cold storage stocks of meats and poultry between May 1 and June 1 and a seasonal increase in stocks of lard, eggs, butter, and cheese. Net withdrawals of meats were somewhat larger than normal for May, and the net accumulations of lard, cased eggs, butter, and cheese were somewhat smaller than the usual seasonal amounts. Holdings of all commodities on June 1 except lard, frozen eggs, and cheese were below a year ago, with total stocks of meat at a record low level for that date. Storage stocks of beef were 15.3 and cheese 22.5 per cent above the June 1 five-year average, but inventories of pork were 35.9, lamb and mutton 31.9, miscellaneous meats 5.3, lard 23.1, cased eggs 20, and butter 34 per cent below the average. Stocks of poultry and frozen eggs approximated the average holdings.

United States cold storage holdings reported by the Bureau of Agricultural Economics, in thousands of units:

	*June 1 1936	May 1 1936	June 1 1935	June 1 5-Yr. Av.
Beef, lbs.....	51,147	65,011	63,523	44,343
Pork, lbs.....	440,694	457,402	503,413	687,831
Lamb and mutton, lbs.....	1,282	1,785	2,818	1,883
Poultry, lbs.....	41,871	49,324	48,274	41,075
**Turkeys, lbs.....	12,357	13,909	14,258	8,747
Miscellaneous meats, lbs.....	56,768	60,699	57,049	59,957
Lard, lbs.....	99,917	83,615	89,986	129,917
Eggs, cases.....	5,681	3,039	6,366	7,103
Eggs, frozen (case equivalent).....	2,685	1,976	2,419	2,660
Butter, creamery, lbs.....	21,075	4,997	33,096	31,946
Cheese, all varieties, lbs.....	70,804	67,776	56,767	57,815

*Subject to revision. **Included in Poultry.

National Summary of Business Conditions

By the Board of Governors of the Federal Reserve System

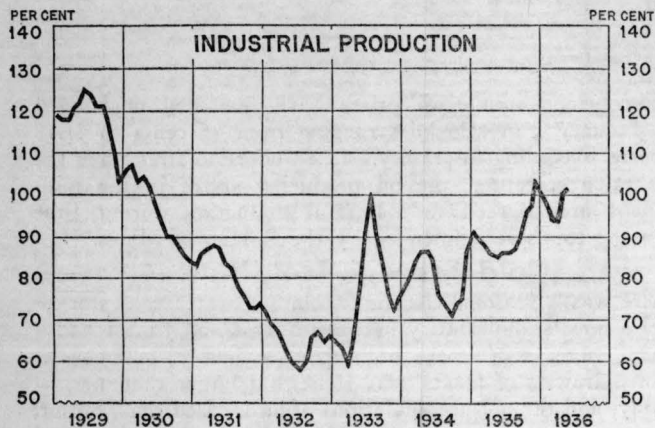
Volume of industrial production, which had increased sharply in April, was maintained in May, and there was an increase in distribution of commodities to consumers.

PRODUCTION AND EMPLOYMENT: The Board's seasonally adjusted index of industrial production in May was 101 per cent of the 1923-1925 average, as compared with 100 per cent in April. Production of durable manufactures increased further, reflecting larger output of steel and lumber, partly offset in the total by a reduction in the output of automobiles from the high level of April. At steel mills the rate of activity in May was higher than at any other time since

the spring of 1930. This level has been maintained in June, reflecting in part some accumulation of steel by fabricators in advance of the effective date of recently announced price increases. Declines in production were reported for many nondurable manufactures; at woolen mills, however, activity increased. Output of bituminous coal declined from April to May, while output of crude petroleum continued in large volume.

Factory employment increased slightly between the middle of April and the middle of May, contrary to the usual seasonal tendency. Increases were reported at plants producing iron

and steel products, machinery, and most other durable manufactures. Changes in employment in industries producing nondurable manufactures were largely of a seasonal nature. Factory payrolls were somewhat larger in the middle of May than a month earlier.



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

Total value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, declined slightly from April to May. Awards for residential building continued to increase and in May, as in other months this year, were substantially larger than a year ago when residential building was first beginning to increase from the extreme low level of the depression.

DISTRIBUTION: Department store sales, which usually decline at this season, increased from April to May and there

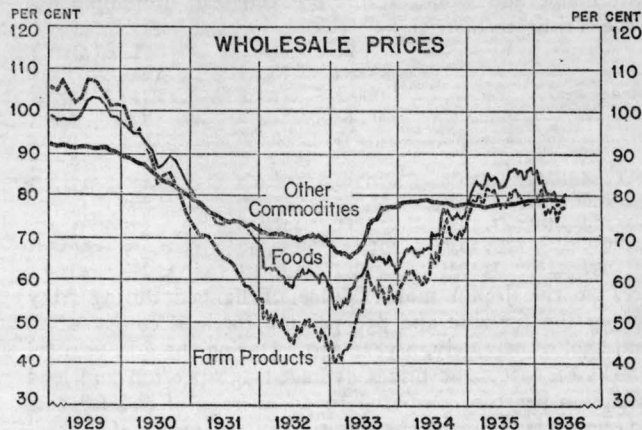


Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average=100. By months, January 1929 through May 1936. Indexes compiled by the United States Bureau of Labor Statistics.

was also a rise in sales at variety stores and mail order houses. Freight-car loadings increased by slightly more than the usual seasonal amount.

COMMODITY PRICES: Wholesale prices of commodities, which had declined from the middle of April to the middle of

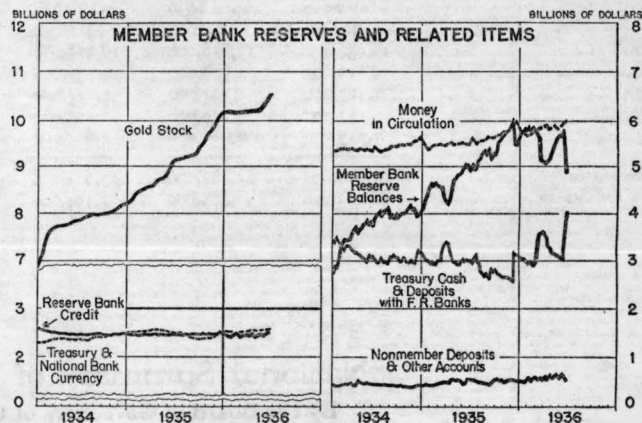
May, have advanced somewhat since that time and in the week ending June 20 were at 78.7 per cent of the 1926 average, according to the index of the Bureau of Labor Statistics. In recent weeks prices of live stock and live stock products, grains and flour, and textile raw materials and finished products have



Indexes compiled by the United States Bureau of Labor Statistics, 1926=100. By months, 1929 to 1931; by weeks, 1932 to date. Latest figures are for week ending June 20, 1936.

advanced. For many steel products price increases have been announced to take effect early in the third quarter.

BANK CREDIT: Excess reserves of member banks, after a slow increase in May and the early part of June, declined by \$900,000,000 in the week ending June 17. The reduction in excess reserves was due principally to an increase in the deposits maintained at the Reserve banks by the Treasury, which received large payments for new securities issued, as well as quarterly tax installments. At that time the Treasury began



Wednesday figures. January 31, 1934, through June 17, 1936.

to distribute checks and adjusted service bonds to veterans and there was an increase in the demand for currency in connection with the cashing of these bonds and checks.

United States Government obligations held by reporting member banks in leading cities, which had increased somewhat in May and early June, showed a further sharp increase in the week ending June 17 in connection with the new issue of Government securities. Bank loans also increased.