

# THE MONTHLY REVIEW

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

FEDERAL RESERVE BANK OF KANSAS CITY

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No. 2

**B**USINESS activity in the Tenth Federal Reserve District generally showed substantial further improvement during the year 1936. Retail distribution, as reflected by department store sales, increased 9.1 per cent, wholesale distribution 9.2 per cent, retail lumber sales 34.7 per cent, and building operations 27.2 per cent as compared with 1935. Construction activity in 1936 was at the highest level since 1931, while retail and wholesale trade had increased to the highest level since 1930. Bank deposits and the volume of debits to individual accounts in banks have increased, and there has been some increase in the demand for loans at member banks in the District. Business failures have continued at a low level.

The production of flour, crude petroleum, and bituminous coal, and shipments of zinc and lead ore were in larger volume than in 1935, and operations at meat packing plants increased sharply. Output of flour was the largest since 1931, of bituminous coal since 1930, and of crude petroleum since 1929, and shipments of zinc and lead also were heavier than in any year since 1929.

Marketings of grains and live stock, while generally below the average volume for the past ten years, were generally somewhat heavier than in 1935, but reshipments of stocker and feeder live stock to the country have been in small volume. The small supplies and high prices of feed consequent to the 1936 drought were reflected in a sharp reduction in cattle and lamb feeding operations as compared with January 1, 1936, and a prospective further decrease in hog production in the coming spring. Grain prices had advanced by the close of the year to the highest general level since 1929, and live stock values in 1936, with the exception of 1935, were at the highest level in about six years.

Total crop yields in the District, while less than in 1935 and substantially below the average from 1928 to 1932 as a result of severe drought, have brought a return to producers about 7 per cent larger than a year ago, owing to the sharp price advances recorded in the last half of the year. December and January moisture supplies, following a dry two-month period, were beneficial to the unusually large acreage of winter grains seeded for harvest in 1937.

## Member Bank Operations

Loans and discounts of fifty-one reporting member banks in the Tenth District increased further during the four weeks ended December 30 to a level which was higher than on any other weekly reporting date in 1936 and 8.3 per cent above the level on December 31, 1935, reflecting principally the growth, both during the four weeks and during the year, in the volume of so-called "other" loans, which include loans to customers for agricultural, commercial, and industrial purposes. Investment holdings were increased somewhat from December 2 to December 30, with a considerable increase in holdings of direct obligations of the United States Government, partly offset in the total by a further small decline in holdings of Government guaranteed obligations and a fractional decrease

## BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT In Percentages of Increase or Decrease

	December 1936 compared to		Year 1936 compared to Year 1935
	Nov. 1936	Dec. 1935	
<b>Banking</b>			
Payments by check, 29 cities.....	+ 5.7	+23.0	+13.9
Federal Reserve Bank check collections	+13.8	+13.7	+11.3
Business failures, number.....	-15.6	-38.6	- 4.5
Business failures, liabilities.....	+31.8	-42.8	+10.0
Loans, 51 member banks.....	+ 2.5	+ 8.3	.....
Investments, 51 member banks.....	+ 3.2	+17.1	.....
Adjusted dem. depts., 51 member banks	+ 1.0	+ 9.9	.....
Time deposits, 51 member banks.....	- 0.3	+ 0.3	.....
Savings deposits, 45 selected banks.....	- 1.2	+ 3.3	.....
Savings accounts, 45 selected banks.....	+ 0.8	+ 2.4	.....
<b>Distribution</b>			
Wholesalers' sales, 5 lines combined.....	+ 1.5	+13.5	+ 9.2
Retailers' sales, 32 department stores.....	+67.7	+13.5	+ 9.1
Lumber sales, 158 retail yards.....	-14.6	+40.0	+34.7
Life insurance, written.....	+23.2	- 7.2	- 2.6
<b>Construction</b>			
Building contracts awarded, value.....	-15.5	-51.8	+27.2
Residential contracts awarded, value.....	+ 7.9	- 8.9	+57.7
Building permits in 18 cities, value.....	+ 1.8	-11.5	+55.2
<b>Production</b>			
Flour.....	- 0.6	+36.6	+ 7.4
Crude petroleum.....	+ 4.1	+19.9	+11.5
Bituminous coal.....	+ 8.2	+13.0	+14.0
Zinc ore (shipped) Tri-State district.....	+ 8.4	+ 8.2	+14.7
Lead ore (shipped) Tri-State district.....	-22.5	-42.7	+10.8
<b>Grain receipts, 5 markets</b>			
Wheat.....	+30.9	+96.9	+28.1
Corn.....	- 8.1	-38.7	+31.1
Oats.....	+81.8	+49.5	- 6.7
Rye.....	-36.9	-16.9	+13.1
Barley.....	-21.4	-62.2	- 9.6
Kafir.....	-24.0	+80.3	+97.4
<b>Live stock receipts, 6 markets</b>			
Cattle.....	-22.7	- 7.0	+ 1.6
Calves.....	-32.4	+ 9.5	+ 5.5
Hogs.....	- 2.8	+62.2	+44.5
Sheep.....	-22.8	+ 4.3	- 1.4
Horses and mules.....	-28.0	-11.4	-16.9
<b>Stocker and feeder shipments, 4 markets</b>			
Cattle.....	-37.6	+ 7.4	-16.4
Calves.....	-47.4	+28.2	-11.1
Hogs.....	-20.5	-38.9	+24.7
Sheep.....	-71.3	+ 5.9	- 7.3
<b>Meat packing, 6 markets</b>			
Cattle.....	- 5.1	+ 2.3	+16.3
Calves.....	-18.4	+16.6	+11.3
Hogs.....	+ 0.3	+78.5	+49.6
Sheep.....	+12.4	+ 4.5	- 2.4

in holdings of other securities. Total investments on December 30 were at the year's high level and were 17.1 per cent greater than a year ago, owing chiefly to increases in the volume of holdings of direct Government obligations and of other securities as holdings of Government guaranteed obligations had declined since early in August to a level at the close of the year but slightly above that at the close of 1935. Reserve balances of these reporting member banks showed a further small decrease during the four weeks.

Adjusted demand deposits, while slightly below the year's peak reached on October 14, increased from December 2 to December 30, at which time demand deposits showed an increase of 9.9 per cent as compared with one year earlier. Time deposits have shown little change during the year. Balances held for domestic banks on December 30 were fractionally smaller than four weeks earlier but were 14.5 per cent larger than on December 31, 1935.

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

	Dec. 30, 1936	Dec. 2, 1936	Dec. 31, 1935
Loans and investments—total..	\$710,867,000	\$690,352,000	\$624,118,000
Loans and discounts—total.....	246,876,000	240,820,000	227,899,000
Secured by stocks and bonds	52,107,000	50,881,000	47,837,000
All other loans and discounts	194,769,000	189,939,000	180,062,000
Investments—total.....	463,991,000	449,532,000	396,219,000
U. S. securities direct.....	275,243,000	257,627,000	232,393,000
Obligations fully guaranteed by the U. S. Government..	47,860,000	50,846,000	46,742,000
Other securities.....	140,888,000	141,059,000	117,084,000
Reserve with F. R. Bank.....	147,260,000	148,685,000	104,502,000
Demand deposits—adjusted.....	491,288,000	486,274,000	447,173,000
Time deposits.....	145,020,000	145,423,000	144,557,000
U. S. Government deposits.....	18,625,000	15,154,000	15,614,000
Inter-bank deposits:			
Domestic banks.....	410,006,000	410,779,000	358,203,000
Foreign banks.....	139,000	164,000	188,000

### Reserve Bank Operations

Holdings of bills discounted for member banks in this District had declined by December 30 to a new low level and holdings of bills purchased continued in small volume. Industrial advances and commitments under Section 13b of the Federal Reserve Act, as amended, decreased further during the four weeks ended December 30 and on that reporting date were substantially smaller than on December 31, 1935, or on February 17, 1936, when the total of such loans and commitments was at the highest level since the inception of the program in August, 1934. Holdings of United States Government securities were unchanged during the four weeks but increased 17.2 per cent during the year, reflecting adjustments in the amount of this bank's participation in the Government securities holdings of the Federal Reserve System.

Federal Reserve note circulation continued to increase through the greater part of December, reaching a new record on December 22 and declining slightly in the following week as the seasonal return flow of currency from circulation commenced after the holiday period. The increase in note circulation during the year has amounted to 14.6 per cent. Member banks' reserve deposits showed a further small decline from December 2 to December 30 but an increase of 31 per cent as compared with December 31, 1935.

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

	Dec. 30, 1936	Dec. 2, 1936	Dec. 31, 1935
Total reserves.....	\$266,147,578	\$264,097,065	\$209,022,402
Bills discounted.....	36,626	340,898	618,744
Bills purchased.....	86,918	86,918	128,133
Industrial advances.....	794,214	804,624	1,145,690
Commitments to make industrial advances.....	332,570	340,545	1,353,500
U. S. securities.....	125,855,000	125,855,000	107,344,200
Total bills and securities.....	126,772,758	127,087,440	109,417,767
Total resources.....	436,857,263	432,683,284	358,126,604
F. R. notes in circulation.....	162,326,255	159,840,555	141,690,210
Member banks' reserve deposits	221,131,508	221,414,974	168,793,055

The discount rate of the Federal Reserve Bank of Kansas City, on all classes of paper and all maturities under Sections 13 and 13a of the Federal Reserve Act, remained unchanged at 2 per cent, this rate having been in effect since May 10, 1935.

### Reserve Bank Check Collections

Check collections through this bank and branches increased somewhat more than seasonally in December and exceeded the dollar volume in December of last year by 13.7 per cent. Dollar volume for the year 1936 was 11.3 per cent greater than in 1935 and was the largest for any year since 1929, falling 3.3 per cent below that year, while the number of items handled in 1936 was 11.6 per cent greater than in 1935 and but 1.2 per cent smaller than in 1929.

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

	ITEMS		AMOUNT	
	1936	1935	1936	1935
December.....	6,605,000	6,163,000	\$ 1,053,291,000	\$ 926,194,000
November.....	5,831,000	5,508,000	925,938,000	853,340,000
Year.....	71,256,000	63,851,000	11,694,677,000	10,505,306,000

### Bank Debits

Debits to individual accounts by banks in twenty-nine reporting centers in the District increased seasonally during the four weeks ended December 30 and were substantially greater than in the corresponding four weeks in 1935. The volume of payments by check for the year 1936 was 13.9 per cent larger than in 1935 and exceeded that of any year since 1930 but fell short of the total for that year by about 22 per cent.

#### PAYMENTS BY CHECK

	FIFTY-TWO WEEKS ENDED		Per cent Change
	Dec. 30, 1936	Jan. 1, 1936	
Albuquerque, N. M.....	\$ 147,378,000	\$ 125,264,000	+17.7
Atchison, Kans.....	42,695,000	39,722,000	+ 7.5
Bartlesville, Okla.....	296,671,000	263,861,000	+12.4
Casper, Wyo.....	67,946,000	58,061,000	+17.0
Cheyenne, Wyo.....	92,442,000	82,638,000	+11.9
Colorado Springs, Colo.....	180,674,000	154,254,000	+17.1
Denver, Colo.....	1,936,598,000	1,692,289,000	+14.4
*Emporia, Kans.....	40,549,000	.....	.....
Enid, Okla.....	119,823,000	112,796,000	+ 6.2
Fremont, Nebr.....	32,456,000	28,515,000	+13.8
Grand Junction, Colo.....	38,886,000	30,313,000	+28.3
Guthrie, Okla.....	19,452,000	18,838,000	+ 3.3
Hutchinson, Kans.....	155,342,000	147,895,000	+ 5.0
Independence, Kans.....	30,091,000	25,974,000	+15.9
Joplin, Mo.....	112,699,000	99,252,000	+13.5
Kansas City, Kans.....	157,348,000	133,717,000	+17.7
Kansas City, Mo.....	3,683,846,000	3,374,161,000	+ 9.2
Lawrence, Kans.....	42,123,000	38,598,000	+ 9.1
Lincoln, Nebr.....	328,947,000	301,180,000	+ 9.2
Muskogee, Okla.....	95,362,000	84,029,000	+13.5
Oklahoma City, Okla.....	1,129,553,000	992,964,000	+13.8
Okmulgee, Okla.....	34,345,000	32,280,000	+ 6.4
Omaha, Nebr.....	1,832,983,000	1,563,175,000	+17.3
Pittsburg, Kans.....	46,967,000	40,578,000	+15.7
Pueblo, Colo.....	194,341,000	168,491,000	+15.3
Salina, Kans.....	114,164,000	97,350,000	+17.3
St. Joseph, Mo.....	345,075,000	317,642,000	+ 8.6
Topeka, Kans.....	201,338,000	179,299,000	+12.3
Tulsa, Okla.....	1,547,427,000	1,223,936,000	+26.4
Wichita, Kans.....	552,669,000	493,630,000	+12.0
Total 29 cities, 52 weeks.....	\$ 13,579,641,000	\$ 11,920,702,000	+13.9
Total 29 cities, 4 weeks.....	1,193,197,000	970,427,000	+23.0
U. S., 273 cities, 52 weeks.....	459,383,619,000	400,882,848,000	+14.6
U. S., 273 cities, 4 weeks.....	43,352,327,000	33,999,427,000	+27.5

\*Not included in totals.

### Savings

Savings deposits at forty-five selected banks in leading cities in the District, following a steady increase since last April, declined seasonally during December, while the number of savings accounts increased. Savings deposits of these banks have increased 3.3 per cent and the number of savings accounts 2.4 per cent during the past year.

RETAIL TRADE AT 32 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT  
In Percentages of Increase or Decrease except Rate of Turnover

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED	
	Dec. 1936 compared to Dec. 1935	Year 1936 compared to Year 1935	Dec. 31, 1936 compared to Nov. 30, 1936	Dec. 31, 1935 compared to Dec. 31, 1935	1936 December	1935 1936	1936 1935	1936 1935	Dec. 31, 1936 compared to Nov. 30, 1936	Dec. 31, 1935 compared to Dec. 31, 1935	Nov. 1936 compared to Nov. 1935	Dec. 1936 compared to Dec. 1935
	Kansas City.... 4	+17.0	+ 8.6	-16.0	+ 9.3	.61	.55	4.16	3.81	+35.7	+13.3	- 5.5
Denver..... 4	+14.5	+12.3	-21.7	+ 5.0	.55	.51	4.03	3.85	+29.1	+ 9.5	+ 0.6	+11.2
Oklahoma City 3	+ 9.7	+ 7.9	-22.9	+ 2.5	.60	.55	4.60	4.45	+11.4	+13.8	- 9.8	+ 6.5
Tulsa..... 3	+11.4	+ 7.6	-23.0	+ 0.2	.65	.57	4.66	4.48	+35.4	+ 7.0	- 5.7	+ 0.5
Wichita..... 3	+18.3	+ 8.6	-23.2	Even	.48	.41	3.65	3.45	+18.8	+13.1	+ 2.5	+11.4
Other cities.... 15	+10.3	+ 6.8	-16.1	+ 5.7	.44	.42	3.31	3.14	+19.3	+ 8.4	+ 4.6	+ 9.4
Total..... 32	+13.5	+ 9.1	-19.3	+ 5.3	.54	.50	3.96	3.74	+24.8	+10.3	- 1.2	+ 9.3

NOTE: Ratio of collections during month to regular accounts outstanding end of preceding month: December 48.0; November 48.1; December 1935, 46.3.

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

	Savings Accounts	Savings Deposits
January 1, 1937.....	413,736	\$128,538,734
December 1, 1936.....	410,426	130,094,933
January 1, 1936.....	404,217	124,394,028

Trade

RETAIL: Department store sales, as reflected by the dollar volume of thirty-two reporting stores in leading cities of the District, were at a six-year peak in December and in 1936. After displaying some hesitancy in November, sales increased at a higher than seasonal rate in December, rising 13.5 per cent above sales in December of last year and increasing the cumulative gain for the year to 9.1 per cent over 1935. The unadjusted index of the value of sales was 152.7 per cent of the monthly average for 1925 in December as compared with 94.4 per cent in 1932, the low point for the month in recent years, and with 157.8 per cent in 1930, the most recent year in which the current level has been exceeded. Sales in December, 1929, were 165 per cent of the 1925 average.

Stocks of merchandise decreased by about the usual seasonal amount from November 30 to December 31 and at the close of the year were 5.3 per cent larger than on December 31, 1935. The unadjusted index of stocks was 64.9 per cent of the 1925 average in December as compared with 59 per cent for the month in 1934, 64.1 per cent in 1932, 82.2 per cent in 1931, and 104.5 per cent in 1929. The collection ratio for regular accounts was 48 per cent in December, 48.1 per cent in November, and 46.3 per cent a year ago, while installment collections averaged 15.7 per cent in December, 15.6 per cent in the preceding month, and 15.8 per cent in the corresponding month of last year.

WHOLESALE: Wholesale distribution, as indicated by the combined dollar volume of sales of five reporting trade groups was sustained in December at a level 1.5 per cent above that in November although a decline usually occurs at this season. Sales of dry goods and groceries were smaller than in November, but sales of hardware, furniture, and drugs increased during the month, and all lines reported an increase in sales as compared with December of last year. Total sales for December were 13.5 per cent larger and for the year 9.2 per cent larger than in 1935, reflecting the heaviest wholesale volume since 1930.

During the year, sales of dry goods have increased 7.4 per cent, groceries 6.8 per cent, hardware 13.9 per cent, furniture 15.4 per cent, and drugs 8.4 per cent.

Stocks of merchandise at the close of December were 4.8 per cent smaller than one month earlier but were 8 per cent larger than one year earlier. There was a decrease in stocks of dry goods, groceries, furniture, and drugs and an increase in stocks of hardware during the month, while all groups except furniture reported an increase in stocks for the year.

Lumber

Lumber sales in board feet and the dollar volume of sales of all materials at 158 reporting retail yards in the District showed considerably less than the usual seasonal decrease during December and continued to show substantial improvement as compared with a year ago. Sales of lumber in board feet for the year exceeded the total for 1935 by 34.7 per cent.

Stocks of lumber, which had declined during the preceding five months, increased slightly during December and at the close of the month were moderately larger than one year earlier. Collections improved in December, averaging 43 per cent of amounts outstanding at the close of the preceding month as compared with 40.3 per cent in November and 41.6 per cent in December, 1935.

December business at the 158 reporting retail yards, in percentages of increase or decrease:

	December 1936 compared to November 1936	December 1935
Sales of lumber, board feet.....	-14.6	+40.0
Sales of all materials, dollars.....	-13.7	+35.6
Stocks of lumber, board feet.....	+ 3.6	+ 9.3
Outstandings, dollars.....	-11.7	+29.5

According to reports of the National Lumber Manufacturers Association, lumber production in the United States was 26 per cent greater in 1936 than in 1935, while lumber shipments increased 24 per cent and lumber orders booked 27 per cent.

Building

The value of construction contracts awarded in the District, according to statistics of the F. W. Dodge Corporation, declined somewhat in December and was less than half the value of awards in December, 1935, reflecting principally a further

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT  
In Percentages of Increase or Decrease

Stores Reporting	SALES		OUTSTANDINGS		AMOUNTS COLLECTED		STOCKS	
	Dec. 1936 compared to Nov. 1936	Dec. 1935 compared to Nov. 1935	Dec. 31, 1936 compared to Nov. 30, 1936	Dec. 31, 1935 compared to Nov. 30, 1935	Dec. 1936 compared to Nov. 1936	Dec. 1935 compared to Nov. 1935	Dec. 31, 1936 compared to Nov. 30, 1936	Dec. 31, 1935 compared to Nov. 30, 1935
	Dry goods..... 4	-29.5	+ 5.7	-24.9	- 2.5	+15.2	+14.1	- 2.4
Groceries..... 5	- 3.6	+ 8.3	-14.9	-15.5	+ 2.2	+15.0	- 3.5	+ 6.9
Hardware..... 8	+ 8.1	+21.2	- 4.7	+ 3.4	+11.9	+14.7	+ 5.0	+ 8.6
Furniture..... 2	+ 5.2	+39.6	-19.1	+ 7.5	+34.2	+39.6	-15.6	- 0.6
Drugs..... 6	+12.9	+14.9	- 8.7	+ 5.2	+29.1	+ 9.6	-15.7	+11.6

reduction in the volume of non-residential construction. Notwithstanding this decline in non-residential awards, which was also evident in November, the value of total awards for the year increased 27.2 per cent as compared with 1935, while residential awards showed an increase of 57.7 per cent. Both total and residential awards were at the highest level since 1931 although short of the volume in that year by about 17 per cent and 21 per cent, respectively.

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

	TENTH DISTRICT		37 EASTERN STATES	
	Total	Residential	Total	Residential
Dec. 1936.....	\$ 7,260,500	\$ 2,394,600	\$ 199,695,700	\$ 65,487,300
Nov. 1936.....	8,590,600	2,218,500	208,204,200	68,440,700
Dec. 1935.....	15,071,942	2,629,300	264,136,500	45,140,100
Year 1936.....	114,125,628	28,968,264	2,667,929,100	801,844,800
Year 1935.....	89,753,942	18,374,958	1,844,544,900	478,843,100

Building departments in eighteen reporting cities in the District issued more permits for new construction, alterations, and repairs in December than in that month since 1928, but estimated expenditures were somewhat less than in December, 1935, although greater than in any other December since 1930. Total permits issued during 1936 increased 17.6 per cent in number and 55.2 per cent in value as compared with 1935 and reflected a further recovery in building activity from the 1933 low to the highest level since 1931. Expenditures in 1936, however, were only slightly more than one-third of the amount for 1929.

#### BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1936	1935	1936	1935
Albuquerque, N. M.....	866	803	\$ 2,475,916	\$ 775,025
Cheyenne, Wyo.....	567	415	873,736	891,039
Colorado Springs, Colo.....	513	386	579,514	373,444
Denver, Colo.....	4,969	3,602	8,227,304	5,045,136
Hutchinson, Kans.....	741	1,071	791,421	401,130
Joplin, Mo.....	244	168	381,725	282,690
Kansas City, Kans.....	441	366	590,365	1,920,547
Kansas City, Mo.....	2,392	2,552	3,893,500	4,467,100
Lincoln, Nebr.....	1,551	1,371	1,056,446	931,349
Oklahoma City, Okla.....	2,170	1,484	8,175,952	3,285,941
Omaha, Nebr.....	1,329	1,156	2,942,702	1,634,375
Pueblo, Colo.....	545	543	243,699	298,894
Salina, Kans.....	210	161	373,778	145,039
Shawnee, Okla.....	170	154	281,116	129,523
St. Joseph, Mo.....	379	222	332,677	315,510
Topeka, Kans.....	880	632	2,155,198	971,630
Tulsa, Okla.....	1,137	1,011	2,587,269	1,572,230
Wichita, Kans.....	2,019	1,867	2,356,683	1,251,181
Total 18 cities, year.....	21,123	17,964	\$38,319,001	\$24,691,783
Total 18 cities, December.....	1,306	961	2,534,600	2,862,644
Total 18 cities, November.....	1,617	1,256	2,489,931	1,448,752

#### Flour Milling

Operations at southwestern flour mills declined seasonally from 72.1 per cent of full-time capacity in November to 66.4 per cent in December but production showed little change with two more milling days in the latter month. December output was 8.2 per cent above the ten-year average for that month and increased 36.6 per cent compared with output in December, 1935, when running time averaged 50 per cent of capacity. Notwithstanding a decrease in production during the first half of 1936 as compared with a year ago, total production during the year was 7.4 per cent greater than in 1935 and exceeded that in any year since 1931, falling but 1.2 per cent below the average volume during the past ten years. Milling operations averaged 64.4 per cent of capacity in 1936 and 60 per cent in 1935.

Flour production at the principal milling centers in the

District, as estimated from the weekly reports of southwestern mills to the Northwestern Miller:

	Dec. 1936	Nov. 1936	Dec. 1935	Year 1936	Year 1935
	Barrels	Barrels	Barrels	Barrels	Barrels
Atchison.....	136,543	128,021	92,488	1,492,830	1,353,274
Kansas City.....	528,408	556,958	464,196	6,202,743	6,070,468
Salina.....	188,184	195,599	132,747	2,113,851	1,854,485
Wichita.....	195,347	205,988	117,355	2,162,953	1,893,090
Outside.....	1,082,217	1,057,100	753,071	12,135,733	11,284,757
Total.....	2,130,699	2,143,666	1,559,857	24,108,110	22,456,074
*United States.....	5,082,878	5,158,226	4,745,928	65,354,446	62,933,137

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

Flour sales in the southwest increased substantially following the advance in the wheat market early in December but later declined, reflecting not only the usual dull holiday and pre-inventory period but also the extensive bookings previously consummated. Flour prices at the Kansas City market, while slightly below the level of a year ago, increased further in December and there was a further increase in bran prices, which were at the highest level since 1928, and a slight recession in prices of shorts. The comparatively low prices of flour in relation to wheat have been reflected in the exceptionally high prices obtainable for millfeeds.

#### Grain Marketing

The movement of grain to the five principal markets in the District was of fairly liberal proportions during December with respect to the small supplies held in the country and reflected in part a further advance in grain prices. December receipts of wheat represented 83.1, corn 50.3, rye 43.2, barley 70.2, and kafir 28.2 per cent of the ten-year average for that month, while receipts of oats were 58.4 per cent above the average. Marketings of oats and barley for the year exceeded the annual average volume during the past ten years by 24.7 and 2.3 per cent, respectively, but marketings of wheat were 25.6, corn 27.2, rye 18.6, and kafir 60.8 per cent below the average volume.

Receipts of grain at the five markets:

	Wheat	Corn	Oats	Rye	Barley	Kafir
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Hutchinson.....	19,993,500	21,250	9,000	1,200	2,500	169,000
Kansas City.....	63,744,000	17,181,000	3,248,000	213,000	998,000	1,255,500
Omaha.....	20,815,379	16,140,968	6,244,000	628,600	1,622,400	.....
St. Joseph.....	8,361,600	4,825,500	5,662,000	99,000	218,750	7,500
Wichita.....	18,294,000	237,900	91,500	10,400	1,300	141,700
Year 1936.....	131,208,479	38,406,618	15,254,500	952,200	2,842,950	1,573,700
Year 1935.....	102,463,080	29,300,810	16,354,500	842,100	3,144,700	797,300
Year 1934.....	100,363,603	52,815,200	7,838,000	515,300	532,050	1,382,800
Year 1933.....	96,091,750	50,050,750	10,695,300	866,300	961,600	1,664,000
Year 1932.....	167,335,250	17,855,450	7,649,000	360,400	833,600	2,559,800
Dec. 1936.....	7,419,950	3,146,300	1,296,500	39,400	129,200	165,700
Nov. 1936.....	5,670,201	3,422,200	713,000	62,400	164,400	218,000
Dec. 1935.....	3,768,550	5,133,500	867,000	47,400	341,850	91,900

Cash prices of all grains at the Kansas City market increased further in December, continuing the upward trend begun last June, to the highest general level in about seven years.

Cash grain prices at the Kansas City market:

	Dec. 31	Nov. 30	Dec. 31	Dec. 31	Dec. 30	Dec. 31
	1936	1936	1935	1934	1933	1932
No. 1 hard, dk. wheat, bu.....	\$1.42	\$1.25	\$1.08½	\$1.01¼	\$ .79½	\$ .40
No. 2 mixed corn, bu.....	1.18	1.10¾	.61¼	.95	.43½	.21½
No. 2 white oats, bu.....	.55	.51	.29	.59½	.36½	.16½
No. 2 rye, bu.....	1.10	1.00	.53	.87	.55	.31½
No. 2 barley, bu.....	.94	.90	.48	.90	.43	.23
No. 2 white kafir, cwt.....	1.99	1.91	1.14	2.06	.73	.41

#### Crops

December moisture supplies and moderate temperatures were beneficial to the large acreage of winter grains, particularly to late sown wheat, which was thus enabled to get a better

ACREAGE HARVESTED, PRODUCTION, AND THE DECEMBER 1 FARM VALUE OF THE PRINCIPAL CROPS PRODUCED IN THE SEVEN STATES WHOSE AREAS OR PARTS THEREOF COMPRISE THE TENTH DISTRICT

Reported by the United States Department of Agriculture, 000 omitted

	ACREAGE HARVESTED				PRODUCTION				FARM VALUE — DECEMBER 1					
	1936	1935	1934	1933	1936	1935	1934	1933	1932	1936	1935	1934	1933	1932
Winter wheat, bu.....	19,553	15,320	16,539	14,402	18,636	231,725	162,994	167,807	145,680	217,146	\$232,271	\$141,348	\$131,765	\$ 93,353
Spring wheat, bu.....	902	986	447	899	602	7,689	9,106	4,112	8,917	6,968	7,667	7,812	3,014	4,966
All wheat, bu.....	20,455	16,306	16,986	15,301	19,238	239,414	172,100	171,919	154,597	224,114	239,938	149,160	134,779	98,319
Corn, bu.....	18,843	19,938	18,405	28,522	30,110	104,037	260,533	83,202	501,504	668,796	119,526	174,972	70,606	174,381
Oats, bu.....	6,537	7,157	4,752	6,931	7,660	107,033	186,753	65,535	109,692	176,007	49,844	54,889	30,770	32,732
Barley, bu.....	1,475	1,509	705	1,650	2,228	19,220	29,701	9,577	19,540	37,910	14,092	12,228	6,425	6,411
Grain sorghums, bu....	3,421	4,611	3,386	3,891	3,922	18,258	31,674	18,525	37,319	42,104	17,310	21,044	14,292	14,692
Tame hay, tons.....	7,646	7,711	7,075	8,505	8,445	7,602	10,887	6,405	10,800	11,272	84,001	71,341	92,533	65,280
Wild hay, tons.....	4,335	4,789	3,643	4,895	5,229	2,287	4,325	1,696	3,225	4,310	19,739	20,174	22,951	14,956
Cotton, bales.....	2,790	2,710	3,053	3,307	3,634	710	819	649	1,610	1,469	40,725	44,243	39,401	72,269
Sugar beets, short tons	289	231	271	349	262	3,492	2,976	2,549	4,288	3,160	17,547	12,584	20,062	14,745
Dry beans, 100 lb. bags	463	665	268	601	424	1,959	2,400	663	2,299	1,160	7,632	6,483	3,121	6,133
White potatoes, bu.....	330	389	348	387	436	31,727	40,689	19,214	34,640	38,382	36,433	23,125	11,743	22,206
Apples, bu.....	.....	.....	.....	.....	.....	3,929	8,910	5,496	7,072	5,406	5,268	7,423	5,576	5,540
Peaches, bu.....	.....	.....	.....	.....	.....	1,381	3,639	2,558	921	1,735	1,218	3,311	2,501	1,169
Pears, bu.....	.....	.....	.....	.....	.....	472	1,365	990	602	591	420	813	723	477
Total acreage, 44 crops	69,252	69,562	62,295	77,197	84,240	.....	.....	.....	.....	.....	701,494	655,320	492,449	574,596
Farm value, 64 crops...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	390,807

start than would otherwise be possible, but in western Nebraska, in Wyoming, Colorado, New Mexico, and in most of Oklahoma precipitation ranged from 25 to 50 per cent below normal for the month. Additional moisture was received in the form of rain, sleet, and snow early in January and at the middle of the month practically the entire District with the exception of Oklahoma was covered by snow, or frozen sleet and snow, varying in depth from one to ten inches and providing protection to plants from the low temperatures.

Crop production in the District during 1936, with the exception of winter wheat and sugar beets, was considerably smaller than in 1935, and the yield of all crops was substantially below the average for the years 1928 to 1932, reflecting the deficiency in moisture during the first part of the year, late spring freezes, excessively high summer temperatures, and grasshopper infestation. This decrease in production, however, has been more than offset by higher prices which have resulted in an increase of about 7 per cent in the farm value of this season's crops as compared with 1935. The total acreage harvested in 1936 showed little change from that in 1935, but yields per acre, amounting to 60 per cent of the average yield from 1921 to 1930 in Missouri, 45 per cent in Nebraska, 62 per cent in Kansas, 52 per cent in Oklahoma, 77 per cent in Wyoming, 95 per cent in Colorado, and 104 per cent in New Mexico, were generally somewhat less than a year ago.

The harvested acreage of forty-four and the December 1 farm value of sixty-four crops by states, estimated by the Department of Agriculture, thousands omitted:

	ACREAGE HARVESTED			FARM VALUE		
	Forty-four Principal Crops			Sixty-four Principal Crops		
	1936	1935	1934	1936	1935	1934
Colo.....	5,056	4,961	3,800	\$ 96,134	\$ 62,693	\$ 49,516
Kans.....	19,150	17,956	17,498	181,421	135,187	119,155
Mo.....	12,280	11,115	10,998	150,595	135,785	103,569
Nebr.....	18,417	19,939	15,253	136,112	158,743	83,750
N. M.....	1,141	1,270	918	21,483	16,958	18,031
Okla.....	11,745	12,505	12,475	94,009	124,927	101,335
Wyo.....	1,463	1,816	1,353	21,740	21,027	17,093
7 States..	69,252	69,562	62,295	\$ 701,494	\$ 655,320	\$ 492,449
U. S.....	315,068	336,171	286,513	6,084,932	5,418,755	4,779,335

**GRAIN STOCKS ON FARMS:** Total farm reserves of wheat in the District on January 1, 1937, were slightly smaller than one year earlier, and stocks of corn and oats had declined substantially during the year. Holdings of all three grains were much below the average for that date from 1928 to 1932, with stocks of wheat and corn below the low stocks of two years ago.

Stocks of grain on farms on January 1, reported by the Department of Agriculture, in thousands of bushels:

	Wheat		Corn		Oats	
	1937	1936	1937	1936	1937	1936
Colorado.....	2,566	1,960	5,772	5,925	2,937	3,002
Kansas.....	14,432	11,530	2,117	16,970	14,484	24,078
Missouri.....	3,141	4,873	14,418	37,244	15,252	18,586
Nebraska.....	10,888	9,669	9,118	69,153	18,304	47,985
New Mexico.....	102	29	1,277	1,508	128	136
Oklahoma.....	3,302	6,616	5,050	13,132	9,144	19,704
Wyoming.....	466	900	359	861	1,179	1,905
Seven states.....	34,897	35,577	38,111	144,793	61,428	115,396
United States....	128,604	163,360	810,087	1,404,621	484,356	770,398

Live Stock

**MARKETINGS:** The movement of live stock to the six principal markets in the District, direct shipments of hogs to packers included, declined in December, reflecting a seasonal reduction in marketings of cattle, calves, and sheep and a contraseasonal decrease in hog receipts, but was somewhat heavier than a year ago with the exception of cattle marketings. December receipts of cattle, however, were 5.3 and calves 35.9 per cent above the ten-year average for that month, while receipts of hogs were 19.2 and sheep 12.9 per cent below the average. Marketings of cattle and calves in 1936 were slightly larger than in 1935, with calf receipts 9.2 per cent above but cattle receipts 5.3 per cent below the annual average volume during the past ten years. Marketings of hogs during the year, while substantially above the low level reached in 1935, were 40 per cent below the ten-year average, and marketings of sheep decreased slightly as compared with 1935 and 14.8 per cent as compared with the average. The six markets received 116,850 horses and mules in 1936 and 140,566 in 1935.

**PRICES:** Values of the principal classes of slaughter live stock at the Kansas City market increased further in December, cattle closing the year 50 cents to \$1.25 and hogs 75 cents to \$1.50 above, but lambs \$1.25 to \$1.40 below, the level at the close of 1935. The December hog top of \$10.35 per hundred-weight was the highest for any December since 1926, and the cattle top of \$12.50 for full loads and the lamb top of \$9.50, with the exception of December, 1935, when cattle reached \$13 and lambs \$11.65, were the highest for the month since 1930 and 1929, respectively. The year's top price for both cattle and hogs, however, was lower than in 1935, reflecting liquidations in live stock numbers subsequent to drought and advancing feed costs, while sheep and lamb prices in 1936 reached a six-year peak, owing in part to the premium for wool.

MOVEMENT OF LIVE STOCK IN THE TENTH FEDERAL RESERVE DISTRICT

	RECEIPTS				STOCKERS AND FEEDERS				PURCHASED FOR SLAUGHTER			
	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep
Kansas City.....	1,435,847	346,645	*1,948,584	1,276,618	469,368	79,124	65,844	213,533	760,668	267,957	*1,732,505	912,704
Omaha.....	1,510,555	162,154	1,762,808	1,617,281	267,373	37,026	12,398	339,605	929,268	123,958	1,402,486	1,090,283
St. Joseph.....	382,181	99,001	852,042	1,048,461	50,860	9,159	10,851	105,898	291,899	88,911	736,730	857,225
Denver.....	489,768	73,767	496,635	3,023,893	177,380	30,879	3,682	668,388	204,009	39,707	368,529	337,861
Oklahoma City.....	518,203	176,673	394,874	120,709	-----	-----	-----	-----	347,858	130,754	342,417	98,642
Wichita.....	302,123	71,822	272,627	144,780	-----	-----	-----	-----	134,717	58,860	249,856	133,086
Year 1936.....	4,638,677	930,062	5,727,570	7,231,742	964,981	156,188	92,775	1,327,424	2,668,419	710,147	4,832,523	3,429,801
Year 1935.....	4,565,856	881,795	3,963,292	7,334,841	1,153,988	175,689	74,370	1,431,861	2,294,614	637,792	3,229,318	3,513,279
Year 1934.....	6,501,879	1,407,474	8,997,986	8,219,229	1,210,089	155,930	131,522	1,459,676	3,484,540	1,038,724	7,589,239	4,029,786
Year 1933.....	4,074,949	665,561	10,889,248	8,179,781	944,287	186,226	81,067	1,457,181	2,268,490	418,983	9,732,753	4,047,717
Year 1932.....	4,066,055	649,681	9,234,559	8,638,085	1,028,158	187,968	49,288	1,438,582	2,009,794	370,775	7,685,721	4,336,137
December 1936.....	370,725	80,798	661,004	401,076	91,417	15,103	4,576	51,361	227,148	63,377	591,198	274,971
November 1936.....	479,643	119,463	679,914	519,346	146,571	28,716	5,757	178,875	239,432	77,636	589,609	244,580
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

\*Includes 1,210,967 hogs shipped direct to packers' yards.

NOTE: Government purchases of hogs included in 1933 totals; of cattle, calves, and sheep in 1934 totals; and of cattle and calves in 1935 totals.

Cattle prices reached their top in January and again in December, lambs in April, and hogs in August.

Annual top prices per hundredweight of carlot live stock at the Kansas City market:

	1936	1935	1934	1933	1932	1931	1929
Beef steers.....	\$12.50	\$14.25	\$10.60	\$ 7.15	\$ 9.85	\$12.00	\$16.75
Stockers and feeders.....	9.25	10.40	8.10	6.50	7.50	9.75	14.75
Cows.....	6.60	8.50	5.00	4.00	5.00	7.25	12.50
Calves.....	11.00	10.50	7.00	7.00	8.00	11.00	17.50
Hogs.....	11.55	12.00	7.80	5.10	5.00	8.00	12.05
Sheep.....	9.00	8.00	8.00	4.75	5.85	7.50	15.00
Lambs.....	12.35	11.65	11.80	8.10	10.00	12.00	20.50

**STOCKERS AND FEEDERS:** The countryward movement of stocker and feeder live stock from four markets in the District showed a further seasonal decrease in December but was heavier than a year ago except for hogs. Shipments of hogs and sheep were about half the ten-year average for December, while shipments of cattle and calves were slightly larger than average. Shipments for the year were generally in small volume, cattle falling 24.3, calves 4.6, hogs 28, and sheep 36.6 per cent below the annual average volume during the past ten years despite an increase of 24.7 per cent in hog shipments as compared with 1935.

The Bureau of Agricultural Economics estimated that the number of cattle on feed for market in Missouri, in Nebraska, and in Kansas on January 1, 1937, was 30, 55, and 40 per cent, respectively, below the number on feed January 1, 1936, indicating a reduction in cattle feeding operations in these states to near or below the low level of two years ago following the 1934 drought. There was also a sharp decrease in lamb feeding operations in Nebraska, northern Colorado, Kansas, and Missouri as compared with a year ago, while the number of lambs on feed was larger this year than last in Oklahoma and showed a material increase in Wyoming and New Mexico.

December weather conditions in the District were generally favorable for live stock and made possible the continued utilization of native ranges and pastures and particularly of grain pastures, which in many areas were largely being depended on to winter live stock. Cattle and sheep on January 1 were generally in good condition and death losses have been light. The arrival of severe weather early in January, however, has caused much suffering to live stock and has necessitated rather heavy feeding from short winter feed supplies.

**PIG CROP:** A decrease of 16.6 per cent in the fall pig crop but an increase of 15.3 per cent in the combined spring and fall crops of 1936 as compared with 1935 were indicated for states in the District by the December 1 survey of the Department of Agriculture. The number of sows to farrow in the spring of 1937 showed a prospective decrease of 21.7 per cent from

the number farrowed in the spring of 1936, further checking the expansion in hog production which started in the fall of 1935, following two years of sharp declines, and reflecting the feed shortage and high prices of corn which have resulted from the 1936 drought.

The number of pigs saved and sows farrowed or to be farrowed, reported by the Department of Agriculture:

	PIGS SAVED				SOWS FARROWED	
	Fall		Spring		Spring	
	1936	1935	1936	1935	*1937	1936
Colo.....	164,000	130,000	220,000	123,000	34,000	38,000
Kans.....	630,000	908,000	1,152,000	959,000	127,000	182,000
Mo.....	1,448,000	1,517,000	2,120,000	1,763,000	276,000	336,000
Nebr.....	584,000	947,000	3,033,000	2,016,000	396,000	508,000
N. M.....	42,000	38,000	49,000	19,000	11,000	9,000
Okla.....	492,000	491,000	700,000	341,000	89,000	118,000
Wyo.....	12,000	10,000	54,000	20,000	7,000	9,000
7 States..	3,372,000	4,041,000	7,328,000	5,241,000	940,000	1,200,000
U. S.....	23,815,000	22,575,000	41,884,000	30,402,000	6,650,000	7,028,000

\*Indicated by the December survey of breeding intentions.

Meat Packing

Packers' purchases of live stock at the six principal markets in the District, direct shipments of hogs included, indicated a further seasonal decrease in the slaughter of cattle and calves and a small seasonal increase in hog and sheep slaughter in December, with the slaughter of all species somewhat heavier than a year ago. Purchases of cattle and calves exceeded the average volume during the past ten years by 16.3 and 59.4 per cent in December and by 6.3 and 28.4 per cent during the year, while purchases of hogs and sheep fell 8.9 and 8.6 per cent below the December average and 36.4 and 20.4 per cent below the annual average volume.

The high level of commercial live stock slaughter under Federal meat inspection in the United States was maintained in December, when the slaughter of cattle was 34.7, calves 26.1, hogs 1, and sheep 23.5 per cent above the ten-year average for that month. Cattle slaughter for the year was 23.8, calf slaughter 22.2, and sheep slaughter 9.6 per cent above the average, but hog slaughter was 16.9 per cent below the average.

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

	Cattle	Calves	Hogs	Sheep
December 1936.....	986,839	493,834	4,681,100	1,573,065
November 1936.....	988,167	476,532	4,291,635	1,543,916
December 1935.....	892,110	480,856	2,874,585	1,368,749
Year 1936.....	10,971,595	6,069,551	36,054,968	17,215,811
Year 1935.....	9,665,767	5,679,387	26,057,357	17,644,283

NOTE: Slaughter for Government relief purposes excluded.

### Cold Storage Holdings

United States cold storage stocks of beef, pork, lamb and mutton, poultry, miscellaneous meats, and lard, already at high levels in comparison with average holdings during the past five years, continued to increase at a considerably higher than seasonal rate in December, while seasonal withdrawals from storage of eggs and cheese were somewhat less and of butter slightly larger than usual. Holdings of all commodities except eggs have increased substantially during the year, with stocks of beef on January 1 more than twice as large and lamb and mutton more than three times as large as average holdings on that date from 1931 to 1935. Storage stocks of pork were 23.2, poultry 58.5, miscellaneous meats 76, lard 83.9, butter 23.8, and cheese 25.2 per cent above the average, but holdings of eggs fell 20.6 per cent below the average.

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

	*Jan. 1 1937	Dec. 1 1936	Jan. 1 1936	Jan. 1 5-Yr. Av.
Beef, lbs.....	194,107	152,769	106,210	84,491
Pork, lbs.....	665,087	463,400	326,677	539,638
Lamb and mutton, lbs.....	10,186	8,450	3,025	3,336
Poultry, lbs.....	187,479	149,391	107,389	118,246
Miscellaneous meats, lbs.....	131,708	94,611	74,376	74,849
Lard, lbs.....	145,522	108,765	52,718	79,129
Eggs, cases.....	650	1,755	964	795
Eggs, frozen (case equivalent).....	1,479	1,895	1,987	1,888
Butter, creamery, lbs.....	61,228	88,866	40,117	49,445
Cheese, all varieties, lbs.....	110,371	114,706	99,572	88,154

\*Subject to revision.

### Coal

The production of bituminous coal in the District was seasonally larger in December than in November and increased 13 per cent as compared with December, 1935. Output for the year was at the highest level since 1930, exceeding that in 1935 by 14 per cent.

Bituminous coal production reported by the Bureau of Mines:

	*Dec. 1936	Nov. 1936	Dec. 1935	*Year 1936	Year 1935
	Tons	Tons	Tons	Tons	Tons
Colo.....	789,000	736,000	731,000	6,687,000	5,872,000
Kans. & Mo.....	761,000	648,000	683,000	6,770,000	6,104,000
N. M.....	180,000	156,000	140,000	1,590,000	1,382,000
Okla.....	236,000	218,000	197,000	2,029,000	1,542,000
Wyo.....	600,000	614,000	520,000	5,777,000	5,150,000

Six states.....	2,566,000	2,372,000	2,271,000	22,853,000	20,050,000
United States..	44,487,000	41,588,000	35,388,000	431,950,000	369,324,000

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

### Petroleum

The estimated gross production of crude oil in the District increased from November to December, reflecting principally an increase in daily average production, which usually declines at this season. Output in December and during 1936 was 19.9 and 11.5 per cent, respectively, above a year ago and was

approximately the same amount above the average volume for those periods during the past ten years. Production for the year was the highest since 1929, while production in December was greater than in that month in any year since 1928.

Petroleum production, estimated from the weekly reports of the American Petroleum Institute for December, 1936, and officially reported by the Bureau of Mines for all previous months:

	Dec. 1936 Barrels	Nov. 1936 Barrels	Dec. 1935 Barrels	Year 1936 Barrels	Year 1935 Barrels
Oklahoma.....	18,041,000	17,415,000	15,363,000	206,082,000	185,348,000
Kansas.....	5,286,000	4,992,000	4,452,000	58,226,000	54,787,000
Wyoming.....	1,438,000	1,414,000	1,168,000	14,497,000	13,650,000
Colorado.....	114,000	123,000	128,000	1,670,000	1,549,000
New Mexico..	2,647,000	2,493,000	1,850,000	27,134,000	20,586,000

Five states.....	27,526,000	26,437,000	22,961,000	307,609,000	275,920,000
United States	96,397,000	91,018,000	88,711,000	1,097,261,000	993,942,000

Mid-continent crude oil prices remained unchanged in December at schedules posted on January 9, ranging from 86 cents per barrel for oil testing below 25 degrees gravity to \$1.18 for that testing 40 degrees and over. Field operations during the year have been more active than at any time since 1930 as companies have endeavored to increase their reserves which have declined owing to the heavy demand for petroleum products.

### Zinc and Lead

Shipments of zinc ore from Tri-State mines and tailing mills during the four weeks ended December 26 were somewhat larger and of lead ore considerably smaller than in either the preceding four weeks or the corresponding four-week period in 1935. Deliveries of both zinc and lead for the year 1936, however, were markedly heavier than in 1935 and were the heaviest since 1929 although substantially less than in that year.

Zinc and lead shipments from the Tri-State district of Oklahoma, Kansas, and Missouri:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
4 Wks. ended Dec. 26, 1936....	44,245	\$ 1,492,579	4,954	\$ 312,412
4 Wks. ended Nov. 28, 1936....	40,830	1,301,070	6,390	367,980
4 Wks. ended Dec. 28, 1935....	40,889	1,308,448	8,639	406,033
52 Wks. ended Dec. 26, 1936....	446,265	14,242,339	53,443	2,762,942
52 Wks. ended Dec. 28, 1935....	389,211	11,213,928	48,223	2,022,129
52 Wks. ended Dec. 29, 1934....	307,192	8,337,087	33,230	1,323,784
52 Wks. ended Dec. 30, 1933....	267,911	7,204,165	34,874	1,612,839
52 Wks. ended Dec. 31, 1932....	178,379	3,172,627	23,451	813,567
52 Wks. ended Dec. 26, 1931....	232,608	5,278,321	26,787	1,194,399

There was a continued strong demand for concentrates at the Joplin market in December, zinc advancing \$2.50 and lead \$11 per ton to the highest level of the year at \$35 per ton for zinc and \$70 per ton for lead, or \$3 and \$23, respectively, above the level at the close of 1935. The combined value of zinc and lead shipments in 1936 was the largest in six years, reflecting not only the increased volume of shipments but also the highest average price of zinc since 1929 and of lead since 1930.

## National Summary of Business Conditions

By the Board of Governors of the Federal Reserve System

The Board's index of industrial production showed a sharp advance in December after allowance is made for the usual seasonal changes. There was a marked expansion in employment and payrolls and retail trade continued at high levels.

**PRODUCTION AND EMPLOYMENT:** Actual volume of industrial production showed little change from November to December, at a time when a sharp seasonal decline is usual, and the Board's adjusted index advanced from 114 to 121 per cent of the 1923-1925 average. There was a further rise in activity at textile mills to the highest level on record and out-

put of other nondurable manufactures was maintained. Declines in production of steel and lumber were smaller in December than are usual in that month. At automobile factories there was a marked increase in output. In the first three weeks of January activity at steel mills increased somewhat, but there was a decline in assemblies of automobiles as a result of shutdowns occasioned by strikes. Coal production declined seasonally from November to December, while output of crude petroleum increased, contrary to seasonal tendency.

Value of construction contracts awarded, according to figures

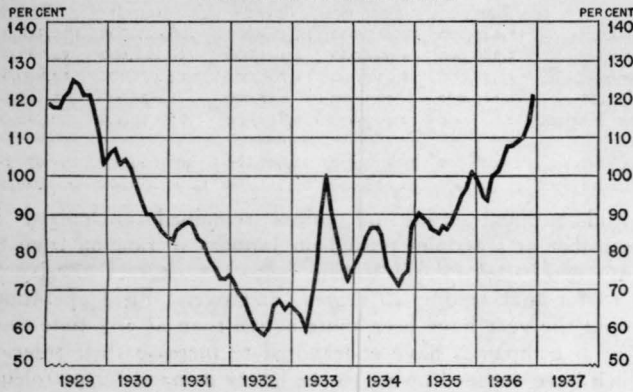
of the F. W. Dodge Corporation, showed a seasonal decrease in December.

Factory employment expanded further between the middle of November and the middle of December, contrary to the usual seasonal movement. Increases were general among the durable goods industries, with the largest advances at plants producing automobiles and machinery. In the nondurable

particularly nonferrous metals, lumber, hides, and wool, and prices of a number of finished goods, such as steel products, paper, and textiles, also advanced. Since the middle of January there has been a decline in prices of commodities traded in on the organized exchanges.

**BANK CREDIT:** Loans and investments of reporting member banks in leading cities declined in the first three weeks

**INDUSTRIAL PRODUCTION**



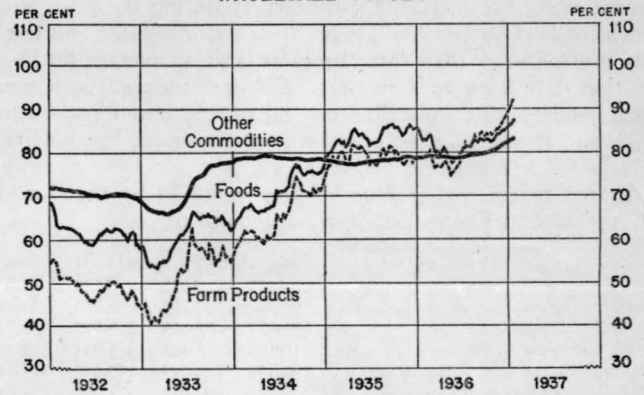
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average=100. By months, January 1929 through December 1936.

goods industries there were marked increases in the number employed at textile mills and at shoe factories. Reflecting principally the higher level of employment and advances in wage rates, factory payrolls increased sharply in December, particularly at steel mills and in the textile industries. In retail trade, employment rose more than seasonally and in most other non-agricultural pursuits there were increases, when allowance is made for seasonal changes.

**DISTRIBUTION:** Retail sales in December increased seasonally at department stores and by more than the usual

of January, as a result of reductions in commercial loans and in loans to brokers. The decrease in loans reflected in part the retirement of notes issued by the Commodity Credit Corporation last July and in part repayment of other loans, which had increased sharply in preceding weeks. Holdings of Government obligations declined further at New York City banks but increased at banks in other leading cities. Demand deposits decreased at the turn of the year, but thereafter increased somewhat, reflecting chiefly the return of currency from holiday use.

**WHOLESALE PRICES**



Indexes compiled by the United States Bureau of Labor Statistics, 1926=100. By weeks, 1932 to date. Latest figure is for week ending January 16, 1937.

**FACTORY EMPLOYMENT AND PAYROLLS**



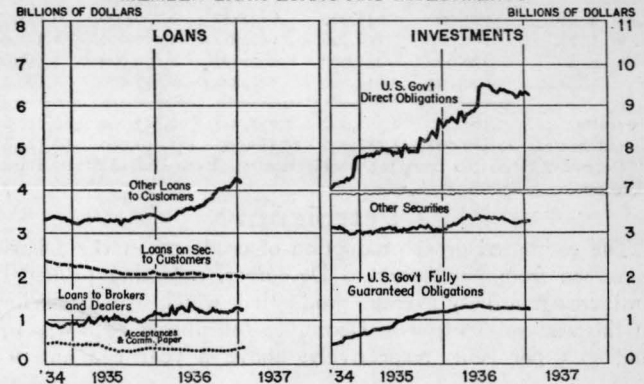
Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average=100. By months, January 1929 through December 1936. Indexes compiled by the United States Bureau of Labor Statistics.

seasonal amount at variety stores and mail order houses serving rural areas.

Freight-car loadings showed a smaller decrease than is usual in December, and the Board's seasonally adjusted index advanced further.

**COMMODITY PRICES:** Wholesale prices, for both industrial and agricultural commodities, continued to advance in the second half of December and the first half of January. There were marked increases in prices of industrial raw materials,

**MEMBER BANK LOANS AND INVESTMENTS**



Wednesday figures for reporting member banks in 101 leading cities, September 5, 1934, through January 20, 1937. Loans on real estate and loans to banks excluded.

The rate on 90-day bankers' acceptances was raised  $\frac{1}{8}$  of 1 per cent on January 13 and now stands at  $\frac{1}{4}$  of 1 per cent. Market discount rates on Treasury bills have also increased, with bills offered in the week ending January 16 selling at a discount of over  $\frac{1}{8}$  of 1 per cent, as compared with a rate of about  $\frac{1}{16}$  of 1 per cent early in December.

Excess reserves of member banks increased from \$1,880,000,000 to \$2,130,000,000 in the four weeks ending January 20, reflecting largely the post-holiday return flow of currency from circulation.