

MONTHLY REVIEW

Agricultural and Business Conditions

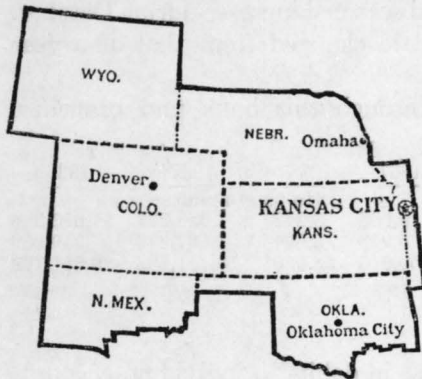
TENTH FEDERAL RESERVE DISTRICT

VOL. 22, No. 12

FEDERAL RESERVE BANK OF KANSAS CITY

NOVEMBER 30, 1937

Business in the Tenth Federal Reserve District



An increasing number of lines of activity show decreases as compared with a year ago. October was the first month of the year when department store and other retail sales were under the same month last year. Lumber sales were 25% lower. However, wholesale sales were 4% higher.

Petroleum and lead production were higher than a year ago, but live-stock slaughter and flour and zinc production were lower. Marketings of grains and live stock, with the exception of hogs, were higher.

Payments by check increased and bank loans are 20% above a year ago, but bank investments and deposits continue down. Construction activity is little above a year ago and at a much lower rate than in recent months.

Rainfall continues subnormal and the condition of fall seeded wheat is only fair. Cash farm income is nearly 27% above a year ago.

OCTOBER 1937 COMPARED WITH OCTOBER 1936						BUSINESS INDICATORS	10 MOS. 1937 COMPARED WITH 10 MOS. 1936					
% DECREASE			% INCREASE				% DECREASE			% INCREASE		
40	30	20	10	10	20		30	40	40	30	20	10
Financial												
Bank Debits.....												
F. R. Bk. Clearings.....												
Mem. Bk. Loans.....												
Mem. Bk. Invest.....												
Demand Deposits.....												
Life Ins. Sales.....												
Trade												
Wholesale Sales.....												
Retail Sales.....												
Dept. Store Sales.....												
Lumber Sales.....												
Marketings												
Wheat.....												
Corn..... -53												
Oats.....												
Cattle.....												
Calves.....												
Hogs.....												
Sheep.....												
Production												
Flour.....												
Cattle Slaughter.....												
Calf Slaughter.....												
Hog Slaughter.....												
Sheep Slaughter.....												
Crude Petroleum.....												
Bituminous Coal.....												
Zinc Ore Shipments.....												
Lead Ore Shipments.....												
Construction												
Total Awards.....												
Res. Awards.....												
Value of Permits.....												
Miscellaneous												
Rainfall.....												
Cash Farm Income *.....												
Employment.....												
Pay Rolls.....												
*For previous month												

Member Bank Operations

Commercial loans at reporting member banks in the Tenth District rose slightly further from the middle of October to the middle of November but decreases in most other types of loans more than offset this increase. Investments continued to decline, holdings of United States Government direct obligations and of "other" securities reaching a new low for the year, so that total loans and investments are now close to the level of a year ago. Loans are 19 per cent higher than a year ago but investments are 9 per cent lower, the major part of this decrease being in holdings of securities other than Government obligations.

Reserve balances carried with this bank tend lower than in recent months and adjusted demand deposits at the middle of November were slightly lower than four weeks earlier although little changed from a year ago. Balances carried with domestic banks and inter-bank deposits have increased but correspondent balances with domestic banks are still 29 per cent and inter-bank deposits 14 per cent lower than a year ago.

Principal items of condition of 51 member banks:

	Change from		
	Nov. 17 1937	Oct. 20 1937	Nov. 18 1936
	(In thousands of dollars)		
Loans and investments—total.....	695,610	-12,106	+6,605
Loans—total.....	287,192	-1,613	+46,152
Coml., indust., agric.	181,160	+1,767	*
Open market paper.....	23,897	-1,502	*
To security brokers and dealers....	4,195	-266	-619
Other to purchase or carry secur.	13,669	-473	*
Real estate loans.....	20,345	-39	+2,156
Loans to banks.....	1,048	+71	-1,316
All other loans.....	42,878	-1,171	*
Investments—total.....	408,418	-10,493	-39,547
U. S. Govt. direct obligations.....	243,499	-6,647	-14,544
Oblig. guar. by U. S. Govt.	49,156	-420	-1,333
Other securities.....	115,763	-3,426	-23,670
Reserve with F. R. Bank.....	168,191	-461	+17,603
Balances with domestic banks.....	206,552	+16,599	-85,734
Demand deposits—adjusted.....	486,603	-5,516	-1,193
Time deposits.....	147,042	-161	+360
U. S. Govt. deposits.....	10,483	-796	-6,829
Interbank deposits.....	365,836	+9,684	-57,500

*Comparable figures not available.

Reserve Bank Operations

Holdings of bills discounted for member banks have increased further, reaching 1½ million dollars in the first half of November. This total, while small, is the largest since late in 1933. Seasonal borrowing by banks in connection with crop payments in sugar beet areas accounted for most of this increase.

This bank's participation in the open market account of the Federal Reserve System was increased slightly during the four weeks ended November 17, reflecting increases in holdings of Treasury notes and bills and a small decrease in holdings of bonds. Federal Reserve note circulation of this bank, while lower than early in October, continues to hold fairly close to the high level reached at that time.

Principal items of condition of the Federal Reserve Bank of Kansas City and branches:

	Change from		
	Nov. 17 1937	Oct. 20 1937	Nov. 18 1936
	(In thousands of dollars)		
Total reserves.....	303,433	+2,230	+35,756
Bills discounted.....	1,108	+413	+1,028
Bills purchased.....	80	+1	-7
Industrial advances.....	484	-19	-330
Commit. to make indust. adv.	115	-2	-236
U. S. Government securities.....	124,984	+856	-871
Total resources.....	476,830	+5,950	+33,383
F. R. notes in circulation.....	167,509	+1,802	+10,087
Member bank reserve deposits.....	245,725	+260	+18,389

Dollar volume of check collections showed substantially less than the usual seasonal increase during October. Dollar volume was little changed from that of a year ago.

Check collections through this bank and branches:

	ITEMS		AMOUNT	
	1937	1936	1937	1936
	(In thousands)			
October.....	6,068	6,292	\$ 1,020,277	\$ 1,012,966
September.....	5,938	5,664	1,007,276	949,099
Ten months.....	59,956	58,980	10,111,785	9,651,179

Bank Debits

The seasonal increase in debits to individual accounts in October was slightly smaller than usual. While payments by check were about 7 per cent greater than in October of last year, for the first ten months of the year they show an increase of nearly 14 per cent over the corresponding period of 1936.

Payments by check in thirty cities:

	Change from		
	Oct. 1937	Sept. 1937	Oct. 1936
	(In thousands of dollars)		
Albuquerque, N. Mex.....	16,944	+2,618	+2,529
Atchison, Kans.....	3,695	-2	+250
Bartlesville, Okla.....	31,683	-2,279	+6,177
Casper, Wyo.....	8,397	+1,950	+1,666
Cheyenne, Wyo.....	10,134	+998	+984
Colorado Springs, Colo.....	16,060	+1,340	+180
Denver, Colo.....	186,890	+15,777	-3,267
Emporia, Kans.....	3,670	+204	+307
Enid, Okla.....	11,755	+69	+1,555
Fremont, Nebr.....	2,492	-72	-394
Grand Junction, Colo.....	4,449	+31	+363
Guthrie, Okla.....	1,715	-276	+118
Hutchinson, Kans.....	13,357	+1,204	+753
Independence, Kans.....	2,815	+154	+376
Joplin, Mo.....	10,920	+235	+943
Kansas City, Kans.....	15,103	+813	+1,748
Kansas City, Mo.....	358,014	+15,438	+26,560
Lawrence, Kans.....	3,939	+250	+199
Lincoln, Nebr.....	31,145	+2,737	+1,084
Muskogee, Okla.....	9,634	+1,403	+923
Oklahoma City, Okla.....	113,568	+7,536	+16,826
Okmulgee, Okla.....	2,894	+124	+117
Omaha, Nebr.....	166,812	+10,176	+6,261
Pittsburg, Kans.....	4,239	+503	+224
Pueblo, Colo.....	17,758	+385	+787
Salina, Kans.....	9,975	+328	-818
St. Joseph, Mo.....	27,881	-164	-2,312
Topeka, Kans.....	15,648	+1,316	-1,166
Tulsa, Okla.....	163,766	+11,196	+22,840
Wichita, Kans.....	49,659	+4,322	+4,256
District, 30 cities.....	1,315,111	+78,314	+90,069
United States, 141 cities.....	36,073,391	+2,713,628	-1,239,137

Trade

DEPARTMENT STORE SALES

Dollar volume of sales at reporting department stores in the District showed much less than the usual seasonal increase during October and for the first time this year fell below dollar volume in the same month a year ago. The decrease in sales from October of last year measured almost 3 per cent and has narrowed the gain for the year to date to less than 5 per cent. The rising trend in retail prices, which largely accounts for the larger sales this year, was halted in September. Since September 1, retail prices have declined almost 1 per cent, according to the Fairchild Retail Price Index, although prices on November 1 were still better than 6 per cent above a year ago.

Stocks of merchandise also showed less than the usual seasonal increase in October. While the retail value of these stocks is higher than a year ago, it must be remembered that prices also are higher. Collections on open accounts averaged 47.3 per cent of receivables in October this year and 48.5 per cent last year, while installment collections averaged 15.8 per cent and 15.6 per cent, respectively.

Department store sales and stocks in leading cities:

No. of Stores	SALES		STOCKS		
	Oct.'37	10 Mos.'37	Oct. 31,'37		
	comp.to Oct.'36	comp. to 10 Mos.'36	compared to Sept.30,'37	Oct.31,'36	
	(Per cent increase or decrease)				
Denver.....	4	+3.2	+6.4	-0.7	+0.1
Kansas City.....	4	-13.4	+2.7	+8.7	+2.0
Oklahoma City..	3	-0.8	+3.8	+9.5	+10.5
Omaha.....	3	-5.8	-2.0	-0.5	+8.1
Tulsa.....	4	+5.3	+9.8	+6.1	+11.3
Wichita.....	3	-3.9	+12.4	+7.6	+13.1
Other cities.....	21	+0.2	+3.5	+2.3	+3.6
District.....	42	-2.6	+4.7	+3.4	+4.5

WHOLESALE SALES

The value of wholesale sales in this District declined about 7 per cent from September to October, sales of drugs declining about 3, groceries 10, and hardware 7 per cent. However, total sales were 4 per cent larger than in October of last year, although sales of drugs, dry goods, and hardware were also somewhat lower than a year ago. For the first ten months of the year, the value of wholesale sales is better than 6 per cent larger than a year ago, all lines sharing in this increase.

The downward movement in wholesale commodity prices in October continued into November, carrying the all-commodity index of the Bureau of Labor Statistics to its lowest point this year and within 2 per cent of the level of a year ago in the week ended November 13. Wholesale prices of farm products, textile products, and chemicals and drugs are lower than a year ago but prices of foods, hides and leather products, fuel and lighting materials, metals and metal products, building materials, and housefurnishing goods are still above a year ago.

Wholesale sales and collections reported by the Department of Commerce for this District:

	No. of Firms	SALES		COLLECTIONS*		
		Oct.'37	10 Mos.'37	Oct. 1937	Sept. 1937	Oct. 1936
		comp.to Oct.'36	comp.to 10 Mos.'36	(Median percentages)		
		(Per cent change)				
Drugs.....	9	-3.6	+4.4	79.1	83.4	80.0
Dry goods.....	3	-6.4	34.0	38.7
Groceries.....	10	+1.1	+7.0	89.5	95.1	91.9
Hardware.....	5	-4.4	+1.4	51.5	50.5	45.4
Paper.....	4	+13.6	+10.7	64.3	62.8	58.9
All other lines.....	19	+22.1	+16.6	67.0	67.0	56.5
District.....	50	+4.0	+6.3	71.0	77.1	73.0

*Collections during month on receivables at beginning of month.

Crops

Weather conditions have been unusually favorable for maturing and harvesting late crops. The growing season has been long and yields of many late crops, particularly in northern portions of the District, have turned out slightly better than anticipated earlier, indicating a further easing of the feed situation.

The weather, however, has been poor "wheat weather," rainfall being light and surface moisture being rapidly depleted by above-normal temperatures and high winds. Following the general rains which fell about the middle of October and which enabled farmers to complete seeding operations that had been largely discontinued because of dry soil, little moisture was received until the middle of November when moderately heavy rains and snows occurred over eastern Kansas and adjoining parts of other states. Freezing temperatures which followed the snow will help to end grasshopper damage which has necessitated reseeding of a considerable acreage of winter wheat.

The condition of winter wheat is good in western and southwestern Nebraska, in most of Oklahoma, and in parts of central and eastern Kansas but elsewhere the situation is not so favorable. In the Plains area west of the hundredth meridian, roughly from central Nebraska, western Kansas, and the Oklahoma Panhandle westward, rainfall during the three summer moisture-storage months, July through September, was only about 67 per cent of normal or about the same as last year. East of this line, rainfall for the period averaged about 84 per cent of normal, better than last year but still somewhat short. The average soil moisture depth in Kansas at seeding time this year was about 12 inches as compared with nearly 18 inches a year ago. October rainfall was about normal in Nebraska and New Mexico, but Wyoming had only 90, Colorado 66, Oklahoma 86, Missouri 85, and Kansas 73 per cent of normal rainfall. Subsoil moisture is seriously deficient over wide areas and heavy general rains are needed to replenish these small reserves before the ground freezes. Snow in several states near the end of November provided needed surface moisture.

Rainfall as reported by the Weather Bureau:

	Oct. 1937		10 Mos. 1937	
	Total	Normal	Total	Normal
	(In inches)			
COLORADO				
Denver.....	.55	1.05	9.53	12.77
Leadville.....	2.26	1.26	24.22	16.62
Pueblo.....	.48	.66	6.13	10.81
Lamar.....	.88	1.03	6.30	14.91
Garnett.....	.35	.54	5.51	6.40
Steamboat Springs.....	2.54	1.97	23.93	19.67
KANSAS				
Topeka.....	1.40	2.42	17.33	31.05
Iola.....	1.13	3.16	31.90	34.56
Concordia.....	1.53	1.97	18.11	24.93
Salina.....	2.13	2.00	17.05	25.07
Wichita.....	1.12	2.59	24.31	27.72
Hays.....	1.59	1.55	17.28	22.06
Dodge City.....	.87	1.30	12.04	19.21
Elkhart.....	.86	1.66	6.85	16.13
Goodland.....	1.01	1.37	12.15	17.42
MISSOURI				
St. Joseph.....	1.26	2.89	25.50	32.69
Kansas City.....	1.15	2.92	22.56	33.95
Joplin.....	1.33	3.45	32.79	39.06
NEBRASKA				
Omaha.....	1.43	2.17	20.10	25.77
Lincoln.....	2.29	1.88	19.05	25.92
Norfolk.....	2.19	1.73	20.37	26.31
Grand Island.....	1.43	2.12	22.73	25.27
McCook.....	1.45	1.20	15.66	18.35
North Platte.....	1.27	1.08	12.02	17.52
Bridgeport.....	.64	1.09	8.70	15.28
Valentine.....	.76	1.30	10.66	17.69
NEW MEXICO				
Clayton.....	.67	1.26	11.53	15.18
Santa Fe.....	.65	1.18	15.21	11.74
Farmington.....	.72	.81	7.48	7.99
OKLAHOMA				
Tulsa.....	2.38	3.68	34.24	34.35
McAlester.....	3.21	4.27	34.44	37.82
Oklahoma City.....	2.25	2.86	19.91	27.78
Pauls Valley.....	2.83	3.47	33.03	30.78
Hobart.....	2.56	3.04	24.66	25.31
Enid.....	4.26	2.92	23.42	27.88
Woodward.....	4.03	2.22	19.13	23.33
WYOMING				
Cheyenne.....	1.23	.96	11.92	13.92
Casper.....	.73	1.41	14.13	13.74
Lander.....	.99	1.36	14.51	11.35
Sheridan.....	.95	1.07	13.47	13.79

Grain Marketing

Marketings of grain were generally in good volume in October and substantially heavier than a year ago. The corn crop had matured somewhat early and receipts of corn increased sharply, exceeding the October average during the past ten years by nearly 10 per cent. Wheat marketings were about 25 per cent below average, while receipts of oats approximated the average volume.

Receipts of grain at five markets in the District:

	Wheat	Corn	Oats	Rye	Barley	Kafir
	(In thousands of bushels)					
Hutchinson.....	914	1	-----	1	-----	5
Kansas City.....	4,562	1,035	320	76	39	104
Omaha.....	931	1,546	412	73	134	-----
St. Joseph.....	510	591	404	14	5	18
Wichita.....	1,228	43	3	3	-----	4
Oct. 1937.....	8,145	3,216	1,139	167	178	131
Sept. 1937.....	8,361	555	1,295	153	158	70
Oct. 1936.....	7,301	1,738	776	66	161	53
10 Mos. 1937.....	167,613	15,071	13,197	1,218	1,765	632
10 Mos. 1936.....	118,118	32,138	13,245	850	2,549	1,190

Cash wheat prices had declined to the lowest level in more than a year early in November but strengthened slightly about the middle of the month on reports of frost damage to the Argentine wheat crop and renewed buying by importing countries. Cash prices of corn and other feed grains continue to decline, heavy marketings of corn being the principal weakening influence.

Cash grain prices at the Kansas City market:

	Nov. 23 1937	Oct. 30 1937	Sept. 30 1937	Oct. 31 1936
No. 1 hard, dark wheat, bu....	\$.93¼	\$1.01	\$1.12¾	\$1.19½
No. 2 mixed corn, bu.....	.53	.55½	.70	1.11½
No. 2 white oats, bu.....	.31½	.32	.32½	.45½
No. 2 rye, bu.....	.69	.72	.79	.92
No. 2 barley, bu.....	.49	.53	.60	.87
No. 2 white kafir, cwt.....	.89	.90	1.14	1.78

Live Stock

MARKETINGS

Marketings of live stock increased seasonally in October although receipts of cattle were about 10 and sheep 15 per cent below normal as measured by the October average volume during the past ten years. Receipts of calves were about average but market supplies of hogs continue about 50 per cent of normal. Marketings of cattle and sheep were about 9 per cent larger than a year ago but hog marketings showed a decrease of 39 per cent from October of last year and little change as compared with the low level of two years ago following the 1934 drought.

Live stock receipts at six markets in the District:

	Cattle	Calves	Hogs	Sheep
Denver.....	97,940	11,287	16,524	668,604
Kansas City.....	182,079	53,461	103,622	112,043
Oklahoma City.....	43,482	21,318	23,713	9,014
Omaha.....	165,501	31,095	80,915	156,510
St. Joseph.....	32,945	8,289	66,964	63,604
Wichita.....	25,864	8,368	19,702	15,383
Oct. 1937.....	547,811	133,318	311,440	1,030,158
Sept. 1937.....	481,862	108,538	275,336	957,883
Oct. 1936.....	501,646	133,628	510,375	948,988
10 Mos. 1937.....	3,786,963	802,314	2,949,319	6,690,256
10 Mos. 1936.....	3,783,309	729,801	4,386,652	6,311,320

PRICES

Cattle and hog prices dropped sharply in October, declining as much as \$2.50 a hundredweight at the Kansas City market, but sheep and lamb prices were steady to only moderately lower at the close of the month. In the first two weeks of November, there was a further decline in cattle and hog prices while sheep and lamb prices were about steady to slightly higher. The decline in cattle prices was from an unusually high level, but the drop in hog prices was a continuation of a seasonal decline under way since August and in which hog prices have fallen about a third under their August high, the largest decline in recent years. Fat cattle and hogs showed more of a decline than other classes. Cattle and sheep prices are still much higher than a year ago but hog prices are lower, being the lowest since early

in 1935. Hogs are selling at a narrower price range than a year ago, cattle wider, and lambs about the same.

Top live stock prices at the Kansas City market:

	Nov. 23 1937	Oct. 1937	Sept. 1937	Oct. 1936	Oct. 1935	Oct. 1934
	(In dollars per hundredweight)					
Beef steers.....	14.50	16.00	17.25	10.40	12.00	9.35
Stocker cattle.....	8.25	10.00	9.25	7.50	9.00	5.65
Feeder cattle.....	8.50	10.75	12.00	8.25	8.75	7.00
Calves.....	10.00	10.00	10.50	9.00	9.50	6.50
Hogs.....	7.50	11.45	12.25	10.20	10.65	6.10
Sheep.....	6.25	6.75	8.25	6.50	6.25	4.40
Lambs.....	8.75	10.75	11.75	9.20	10.00	6.60

STOCKERS AND FEEDERS

Shipments of stocker and feeder cattle, calves, and sheep showed a substantial further increase in October, with market supplies at the season's highest level and prices adjusting to a new corn crop basis. Although considerably higher than in October of last year, the outward movement of cattle was about 8, calves 3, and sheep 18 per cent below the October ten-year average. Hog shipments were smaller than in the preceding month and were almost 60 per cent below either a year ago or the ten-year average volume.

Stocker and feeder shipments from four markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	55,213	6,384	240	380,053
Kansas City.....	89,506	16,435	1,710	29,587
Omaha.....	73,440	12,838	1,171	68,700
St. Joseph.....	8,548	1,486	1,425	24,748
Oct. 1937.....	226,707	37,143	4,546	503,088
Sept. 1937.....	136,374	21,003	5,718	228,954
Oct. 1936.....	153,345	30,970	11,100	377,072
10 Mos. 1937.....	927,882	130,218	39,705	1,268,992
10 Mos. 1936.....	726,723	112,369	82,442	1,097,248

According to the Department of Agriculture, developments to November 1 continued to point to a considerable increase in cattle feeding operations in Nebraska and Kansas during the coming winter and spring over a year earlier although the number of cattle to be fed will not be large in comparison with numbers fed in most years before 1934. Kansas and Nebraska are the only Corn Belt states where the supply of feed grains per animal is below average. Cattle feeding operations are expected to show some increase in Oklahoma but little change from last year in Rocky Mountain states where record numbers were fed last year.

Shipments of feeder lambs into northern Colorado and the Scottsbluff, Nebraska, feeding areas were much larger than in October of last year. Deliveries of feeder lambs by Wyoming growers had been virtually completed by the middle of November, bringing to a close a rather active marketing season in that state. The number of lambs on feed this season will probably be the largest of record in the Scottsbluff area but, although larger than last year, far below normal in Nebraska as a whole, the Department stated. The number of

lambs fed in northern Colorado will be nearly 20 per cent larger than last year, but numbers in the Arkansas and San Luis Valleys are expected to be little different and the total number to be fed, while larger than last year, will be smaller than two years ago and below average for the state. A decrease in lamb feeding operations is in prospect in Wyoming and New Mexico. There has been a considerable movement of lambs into Oklahoma and Kansas to be finished on wheat pastures.

RANGES AND PASTURES

Mild, open weather permitted the full use of ranges and pastures and the late use of higher and foothill ranges into November but, because of light rainfall, ranges continue dry and short in the western part of Nebraska, Kansas, and Oklahoma and in eastern Colorado. Range feed is good in Wyoming, the mountain and western sections of Colorado, New Mexico, and in eastern Oklahoma. Wheat pastures are only fair in western Kansas and Oklahoma but are good in parts of the eastern sections of these states. Live stock is generally going into the winter in good condition.

Farm Income

Cash farm income in the District was about 27 per cent greater in September than a year ago. As in other recent months, most of this increase came from crops, mainly wheat. Income from live stock and its products was only 9 per cent larger than in September of last year while receipts from the sale of crops were nearly twice as large.

Income for the first nine months of the year shows an increase of nearly 17 per cent over that in the corresponding period of 1936. This increase reflects higher prices received by farmers during the first half of the year and a larger volume of sales in the third quarter. The effects of last year's drought are evident in grain and live stock marketings in Nebraska where farm income is 4 per cent lower, but income in other states in the District ranges from 9 per cent higher in Wyoming to 31 per cent higher in Colorado and Kansas.

Sharply lower prices in recent weeks for certain farm products will undoubtedly necessitate a revision downward of estimates of farm income for 1937 made earlier in the year.

Income estimates of the Department of Agriculture:

	Crops	Live Stock and Products (In thousands of dollars)	Govt. Payments	Total
Colorado.....	5,362	10,146	61	15,569
Kansas.....	16,348	18,515	137	35,000
Missouri.....	6,611	20,687	408	27,706
Nebraska.....	7,051	17,622	136	24,809
New Mexico.....	1,835	1,722	68	3,625
Oklahoma.....	8,686	8,989	272	17,947
Wyoming.....	1,212	7,081	36	8,279
Sept. 1937.....	47,105	84,712	1,118	132,935
Aug. 1937.....	53,918	71,372	1,353	126,643
Sept. 1936.....	24,779	78,447	1,510	104,736
9 Mos. 1937.....	314,044	558,393	70,402	942,839
9 Mos. 1936.....	188,715	565,595	53,771	808,081

Meat Packing

Except for a moderate increase in hog slaughter, operations at meatpacking plants in the District tended to decline in October. The slaughter of cattle, calves, and sheep was about 20 per cent lower and that of hogs a third lower than a year ago. Calf slaughter continues high but cattle slaughter was about 15 and hog and sheep slaughter nearly 40 per cent below the October average for the past ten years. Several good years will be necessary before an increase in the number of live stock will bring about normal slaughter conditions.

Packers' purchases at six markets in the District:

	Cattle	Calves	Hogs	Sheep
Denver.....	22,967	4,412	16,253	50,444
Kansas City.....	60,057	23,545	94,967	68,547
Oklahoma City.....	19,974	15,749	19,813	4,362
Omaha.....	65,241	16,271	68,662	68,884
St. Joseph.....	20,842	6,549	61,974	44,472
Wichita.....	12,530	4,678	19,084	6,209
Oct. 1937.....	201,611	71,204	280,753	242,918
Sept. 1937.....	217,317	71,139	243,860	317,419
Oct. 1936.....	256,907	87,824	420,915	309,161
10 Mos. 1937.....	1,868,242	568,230	2,613,490	3,116,377
10 Mos. 1936.....	2,201,839	569,134	3,651,716	2,910,250

Cold Storage Holdings

After allowing for the usual seasonal changes, United States cold storage stocks of most commodities continued to decline in October. Total stocks of meats, having declined more than 60 per cent from the unusually high level of last spring, are the smallest in many years. Stocks of eggs, poultry, and cheese are still high, but stocks of beef were 41, pork 34, lard 52, and butter 13 per cent below the November 1 average for the past five years.

United States cold storage holdings:

	Nov. 1 1937	Oct. 1 1937	Nov. 1 1936	Nov. 1 5-Yr. Av.
	(In thousands of units)			
Beef, lbs.....	43,862	38,746	104,961	74,818
Pork, lbs.....	265,957	282,534	354,950	405,441
Lamb and mutton, lbs.....	2,369	1,887	5,930	3,291
Poultry, lbs.....	76,179	61,721	104,981	69,212
Miscellaneous meats, lbs.....	42,223	43,858	77,411	64,987
Lard, lbs.....	39,421	72,614	94,748	81,814
Eggs, shell, cases.....	5,157	7,058	3,788	4,293
Eggs, frozen (case equiv.).....	3,819	4,235	2,344	2,374
Butter, creamery, lbs.....	98,539	118,697	105,368	112,788
Cheese, all varieties, lbs.....	112,376	117,610	118,907	107,315

Flour Milling

Activity at southwestern flour mills increased slightly in October but is seasonally lower in November. While current output is below a year ago, October showing a decrease of about 3 per cent, production for the year to date still shows a gain of 10 per cent over last year. Shipping directions on flour contracts continue to come in freely and mills for the most part are operating on heavy schedules, averaging from 70 to 75 per cent of capacity.

Flour production reported by the Northwestern Miller:

	Oct. 1937	Sept. 1937	Change from Oct. 1936
	(In barrels)		
Atchison.....	129,000	+9,000	-4,000
Kansas City.....	653,000	+19,000	+62,000
Salina.....	199,000	+10,000	+18,000
Wichita.....	212,000	+7,000	-41,000
Other cities.....	1,078,000	+34,000	-97,000
Southwest.....	2,271,000	+79,000	-62,000
United States*.....	5,968,000	+95,000	-90,000

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

Flour business in the southwest was active in the first part of October and again early in November when flour prices broke sharply, recording a net loss of from 25 to 85 cents per barrel. In the second week of November, flour prices recovered moderately. Bran prices advanced because of poor pastures but prices of shorts have declined with corn prices.

Petroleum

Daily average production of crude petroleum in the District showed another 5 per cent decrease in October and is still lower in November. October output, while 22 per cent above the October average, was only 6 per cent larger than a year ago.

Oil production reported by the American Petroleum Institute and the Bureau of Mines:

	Oct. 1937		Sept. 1937		Oct. 1936	
	Gross	D. Av.	Gross	D. Av.	Gross	D. Av.
	(In thousands of barrels)					
Colo.....	133	4.3	120	4.0	151	4.9
Kans.....	5,747	185.4	5,918	197.3	5,157	166.4
N. Mex.....	3,238	104.5	3,410	113.7	2,540	81.9
Okla.....	18,251	588.7	18,523	617.4	18,259	589.0
Wyo.....	1,821	58.7	1,719	57.3	1,315	42.4
5 States.....	29,190	941.6	29,690	989.7	27,422	884.6
U. S.....	111,610	3,600.3	109,930	3,666.0	95,795	3,090.2

The upward trend in stocks of crude petroleum in the Mid-Continent area since early in the year was broken early in September. Since that time the general tendency has been downward, most of a small increase in stocks in October being lost in the first week of November. Of chief concern at the present time is the decline in gasoline tank-car prices which started about the middle of October.

Coal

Output of bituminous coal showed a further seasonal increase in October. Production in October was slightly smaller than a year ago but for the year to date it is still more than 5 per cent larger.

Coal output estimated from reports of the National Bituminous Coal Commission:

	Oct. 1937	Sept. 1937	Change from Oct. 1936
	(In tons)		
Colorado.....	731,000	+149,000	-54,000
Kansas and Missouri.....	647,000	+101,000	+20,000
New Mexico.....	156,000	+19,000	-7,000
Oklahoma.....	268,000	+68,000	+27,000
Wyoming.....	631,000	+105,000	+4,000
Six states.....	2,433,000	+442,000	-10,000
United States.....	40,040,000	+985,000	-3,281,000

Zinc and Lead

Zinc and lead shipments from the Tri-State district declined in October and show a further decrease in November. Output of concentrates has dropped rapidly and more than a score of mines and mills have closed because of the sharp recession in ore prices.

Shipments estimated from Joplin News-Herald reports:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Kansas.....	12,529	\$ 474,789	1,572	\$ 105,795
Missouri.....	4,197	159,224	583	38,394
Oklahoma.....	21,695	822,651	3,355	223,980
Oct. 1937.....	38,421	\$ 1,456,664	5,510	\$ 368,169
Sept. 1937.....	44,144	1,919,136	6,567	493,350
Oct. 1936.....	41,925	1,320,637	4,305	215,250
10 Mos. 1937.....	403,984	16,672,043	54,229	3,952,357
10 Mos. 1936.....	357,754	11,338,738	41,601	2,059,125

Since the middle of September, zinc ore prices have declined from \$47.50 a ton to \$37.00 and lead ore prices from \$77.50 to \$56.00. At the middle of November, zinc is still \$5.00 a ton higher than a year ago, but lead is \$2.00 a ton lower. Zinc has averaged about \$44 a ton this year against \$32 last year and lead \$73 against \$50.

Employment and Pay Rolls

Following a decline in the preceding month, employment and pay rolls rose from the middle of September to the middle of October. Employment was about 2 per cent and pay rolls 6 per cent larger than in October of last year.

Preliminary figures of the Department of Labor:

	October 1937 per cent change from September 1937	
	Employment	Pay Rolls
Colorado.....	+4.1	+5.3
Kansas.....	-1.2	-0.4
Missouri.....	+0.8	+2.0
Nebraska.....	+5.7	+4.8
New Mexico.....	-0.9	+3.2
Oklahoma.....	+0.2	+1.5
Wyoming.....	+4.0	+6.2

Building

Construction awards increased somewhat in October as a result of a larger volume of contracts for non-residential building but were little changed from a year ago. While awards so far this year are 6 per cent larger than last year, it is reported that contracts have been let for only about 60 per cent of the work contemplated in comparison with 97 per cent last year.

Construction figures of the F. W. Dodge Corporation:

	TENTH DISTRICT		37 EASTERN STATES	
	Total	Residential	Total	Residential
	(In thousands of dollars)		(In thousands of dollars)	
October 1937.....	9,047	2,478	202,081	65,485
September 1937....	7,352	2,677	207,072	65,590
October 1936.....	8,851	2,372	225,840	79,736
10 Months 1937....	104,383	30,415	2,510,604	802,175
10 Months 1936....	98,275	24,355	2,260,029	667,917

The value of building permits issued in eighteen cities of the District showed a further increase in October but was little changed from that in October of last year. The total value of permits so far this year is 12 per cent larger than in 1936.

Building permits issued by eighteen District cities:

	PERMITS		ESTIMATED COST	
	1937	1936	1937	1936
Albuquerque, N. Mex.....	97	99	\$ 198,000	\$ 163,000
Cheyenne, Wyo.....	55	44	72,000	78,000
Colorado Springs, Colo....	71	54	36,000	67,000
Denver, Colo.....	616	576	597,000	603,000
Hutchinson, Kans.....	124	83	56,000	271,000
Joplin, Mo.....	16	15	52,000	62,000
Kansas City, Kans.....	34	49	196,000	62,000
Kansas City, Mo.....	191	240	158,000	958,000
Lincoln, Nebr.....	161	161	82,000	94,000
Oklahoma City, Okla....	173	190	376,000	384,000
Omaha, Nebr.....	121	169	217,000	239,000
Pueblo, Colo.....	82	51	50,000	13,000
Salina, Kans.....	29	21	82,000	23,000
Shawnee, Okla.....	19	17	8,000	66,000
St. Joseph, Mo.....	21	34	18,000	39,000
Topeka, Kans.....	84	99	133,000	106,000
Tulsa, Okla.....	95	102	1,443,000	346,000
Wichita, Kans.....	223	228	164,000	289,000
October.....	2,212	2,232	\$ 3,938,000	\$ 3,868,000
September.....	2,259	1,989	3,277,000	2,714,000
Ten months.....	20,425	18,216	37,226,000	33,202,000

Lumber

Board feet lumber sales, which usually increase somewhat in October, showed little change from the preceding month and a decrease of nearly 25 per cent from sales in October of last year. As a result, total sales so far this year are now about 3 per cent below sales in the same period of 1936.

October collections averaged 36.2 per cent of amounts receivable as compared with a ratio of 33.0 per cent in September and 43.1 per cent in October a year ago.

Lumber trade at 155 retail yards in the District:

	Oct. 1937 per cent change from Sept. 1937		Oct. 1936	
	Sept. 1937	Oct. 1936	Sept. 1937	Oct. 1936
Sales of lumber, board feet.....	+1.3	-24.8		
Sales of all materials, dollars.....	+10.6	+0.5		
Stocks of lumber, board feet.....	-2.3	+14.2		
Outstandings, dollars.....	Zero	+21.9		

Life Insurance

Life insurance sales in the seven states of the District increased nearly 10 per cent during October. Sales were 4 per cent larger than in October of last year.

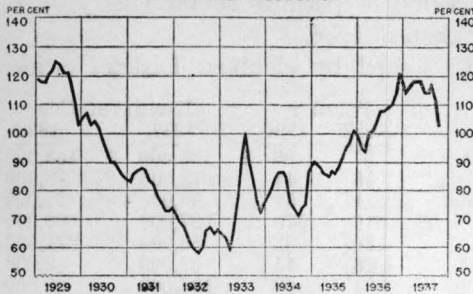
The Life Insurance Sales Research Bureau report:

	Change from		
	Oct. 1937	Sept. 1937	Oct. 1936
	(In thousands of dollars)		
Colorado.....	5,914	+908	+485
Kansas.....	7,327	+159	+354
Missouri.....	16,986	+2,096	+662
Nebraska.....	5,240	+109	-657
New Mexico.....	1,045	-277	-54
Oklahoma.....	8,089	+929	+878
Wyoming.....	1,034	+59	+72
Seven states.....	45,635	+3,983	+1,740
United States.....	579,704	+79,270	+2,831

NATIONAL SUMMARY OF BUSINESS CONDITIONS

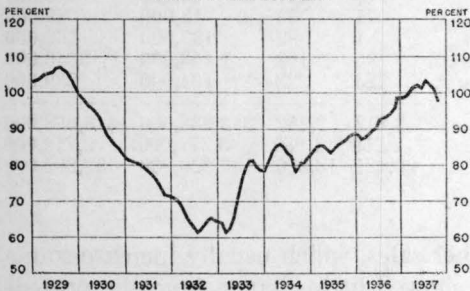
By the Board of Governors of the Federal Reserve System

INDUSTRIAL PRODUCTION



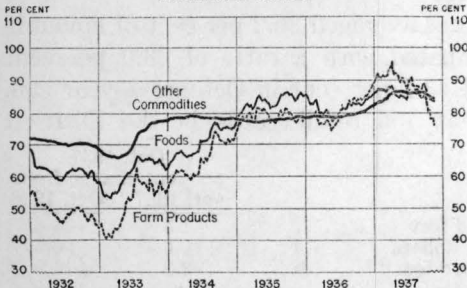
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January 1929 through October 1937.

FACTORY EMPLOYMENT



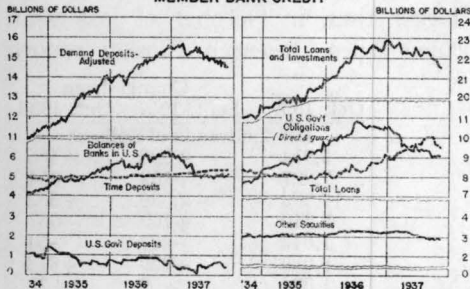
Index of number employed, adjusted for seasonal variation, 1923-1925 average = 100. By months, January 1929 through October 1937.

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 November 20, 1937.

MEMBER BANK CREDIT



Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934, through November 17, 1937.

Volume of industrial production showed a further sharp decrease in October and the first three weeks of November, and there was a reduction in employment. Commodity prices continued to decline. Distribution of commodities to consumers was maintained at the level of other recent months.

PRODUCTION AND EMPLOYMENT

In October the Board's seasonally adjusted index of industrial production was 103 per cent of the 1923-1925 average as compared with 111 per cent in September and an average of 116 per cent in the first eight months of this year. There was a marked curtailment of activity in the durable goods industries. Output of steel ingots, which had shown a steady decline since August, was at an average rate of 59 per cent of capacity in October and by the third week in November the rate had declined to 36 per cent. Automobile production increased considerably in October as most manufacturers began assembly of 1938 model cars. In the first three weeks of November output of automobiles showed little change from the level reached at the end of October, with assemblies by one leading manufacturer continuing in exceptionally small volume. Production of lumber and of plate glass declined further in October. In the non-durable goods industries, where output had been declining since the spring of this year, there was a further decrease in October. Cotton consumption showed a sharp reduction and activity at woolen mills and shoe factories continued to decline. There was an increase in output at sugar refineries, where activity had been at a low level in September. In most other lines changes in output were largely seasonal. Mineral production continued at about the level reached at the close of 1936 and maintained throughout this year.

Value of construction contracts awarded in October and the first half of November was smaller than in the preceding six weeks, according to figures of the F. W. Dodge Corporation. The decline was chiefly in private non-residential construction.

Factory employment declined substantially in October and pay rolls showed little change, although an increase is usual at this season. Declines in the number employed were reported by factories producing steel, machinery, lumber, and textiles, and in many smaller industries. There was a seasonal increase in employment at automobile factories. Employment and pay rolls increased seasonally at mines and at establishments engaged in wholesale and retail trade.

DISTRIBUTION

Sales at department stores and mail order sales increased seasonally in October. Throughout the year sales at department stores have been sustained, with seasonal fluctuations, and the Board's adjusted index of these sales has shown little change.

Freight-car loadings declined in October and the first half of November, reflecting smaller shipments of forest products, ore, and miscellaneous freight.

COMMODITY PRICES

Prices of industrial materials, particularly non-ferrous metals, steel scrap, rubber, and hides, declined further from the middle of October to the third week of November, and there were some decreases in the prices of finished industrial products. Live stock and meat prices declined substantially and coffee prices dropped sharply following the announcement by Brazil of modification of its control policy.

BANK CREDIT

During the first half of November the Federal Reserve banks purchased \$28,525,000 of United States Government securities, in accordance with the policy adopted in September to provide additional reserves for meeting seasonal currency and other requirements. From the middle of October to November 17, excess reserves of member banks increased from about \$1,000,000,000 to \$1,100,000,000, reflecting the Federal Reserve security purchases and a considerable decline in required reserves at member banks in New York City, caused partly by a reduction in demand deposits arising from a liquidation of brokers' loans.

Loans to brokers and dealers reported by banks in leading cities declined by \$250,000,000 during the four weeks ending November 17. Commercial loans, following a steady increase for several months, declined after the middle of October. Member banks in New York City increased their holdings of United States Government securities by over \$150,000,000 while banks outside New York City showed a further reduction. Deposits continued to show moderate reductions.