

Member Bank Operations

Loans at reporting member banks in the Tenth District rose slightly further from the middle of November to the middle of December, reflecting chiefly further increases in commercial and "all other" loans. Holdings of open market paper continued to decline, dropping nearly 6 per cent during the four-week period. Investments, which at the middle of November had been at the highest point so far this year, declined slightly during the following four weeks, a sizeable decrease in holdings of Government direct obligations being offset in part by further increases in holdings of obligations guaranteed by the Government and holdings of other securities. Loans at the middle of December are about 9 and investments 2 per cent smaller than a year ago.

Adjusted demand deposits increased slightly from the middle of November to the middle of December but deposits due to other banks declined and there was a further decrease in correspondent balances due from other banks. Reserve balances carried at this bank have shown little change in recent weeks. Adjusted demand deposits are about 2 per cent larger than a year ago, deposits due to other banks are 6 per cent larger, and balances due from other banks are 36 per cent greater.

Principal items of condition of 51 member banks:

	Change from		
	Dec. 14 1938	Nov. 16 1938	Dec. 15 1937
(In thousands of dollars)			
Loans and investments—total....	649,374	-3,566	-35,082
Loans—total.....	254,289	+2,014	-25,461
Coml., indust., and agric.....	154,293	+1,666	-21,430
Open market paper.....	16,766	-1,032	-6,204
To security brokers and dlers...	4,211	+54	+4
Other to purch. or carry secur..	11,820	-27	-1,222
Real estate loans.....	22,648	+32	+2,200
Loans to banks.....	643	-130	-301
All other loans.....	43,908	+1,451	+1,492
Investments—total.....	395,085	-5,580	-9,621
U. S. Govt. direct obligations...	214,153	-7,962	-31,090
Oblig. guar. by U. S. Govt.....	51,608	+1,116	+6,334
Other securities.....	129,324	+1,266	+15,135
Reserve with F. R. Bank.....	158,005	-880	-5,223
Balances with domestic banks...	284,840	-4,237	+75,699
Demand deposits—adjusted.....	497,876	+5,655	+7,211
Time deposits.....	141,833	-1,672	-3,114
U. S. Govt. deposits.....	20,656	+161	+7,048
Interbank deposits.....	366,942	-11,721	+20,686

Reserve Bank Operations

Note circulation of this bank has increased further, rising to a new high level of 171 million dollars in the first week of December as compared with the previous record last year of about 170 million in the third week of December, when the seasonal demand for currency for Christmas shopping is normally the heaviest.

Volume of discounts is seasonally lower than at the middle of November, due in part to the return flow of funds from sugar beet areas.

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

	Change from		
	Dec. 14 1938	Nov. 16 1938	Dec. 15 1937
(In thousands of dollars)			
Total reserves.....	316,412	-8,434	+14,778
Bills discounted.....	682	-369	-291
Bills purchased.....	16	Zero	-64
Industrial advances.....	269	-124	-196
Commit. to make indust. adv.....	552	-24	+440
U. S. Government securities.....	113,249	Zero	-12,014
Total resources.....	475,822	-10,107	+2,462
F. R. notes in circulation.....	170,264	+1,496	+1,763
Member bank reserve deposits.....	228,738	-1,334	-8,449

Dollar volume of check collections declined less than seasonally during November. Dollar volume in November was only 3 per cent lower than a year ago as compared with a decline of 11 per cent for the year.

Check collections through this bank and branches:

	ITEMS		AMOUNT	
	1938	1937	1938	1937
(In thousands)				
November.....	5,895	5,845	\$ 921,143	\$ 948,665
October.....	6,170	6,068	965,412	1,020,277
11 Months.....	64,348	65,801	9,814,018	11,060,450

Bank Debits

Debits to individual accounts by banks in reporting centers of the District declined by considerably less than the usual seasonal amount during November. Volume of payments by check in November was 9 and in the first eleven months of the year 13 per cent smaller than in the corresponding periods in 1937.

Payments by check in thirty District cities:

	Change from		
	Nov. 1938	Oct. 1938	Nov. 1937
(In thousands of dollars)			
Albuquerque, N. Mex.....	16,588	+1,179	-179
Atchison, Kans.....	2,830	-183	-416
Bartlesville, Okla.....	27,310	-3,033	-2,597
Casper, Wyo.....	6,717	-1,402	-728
Cheyenne, Wyo.....	8,713	-780	-374
Colorado Springs, Colo..	17,009	+2,506	-213
Denver, Colo.....	157,854	-13,946	-4,605
Emporia, Kans.....	3,330	-186	+4
Enid, Okla.....	9,222	-1,221	-1,361
Fremont, Nebr.....	2,281	-101	-79
Grand Junction, Colo.....	3,794	-142	-50
Guthrie, Okla.....	1,708	-106	-216
Hutchinson, Kans.....	12,400	+2,112	-1,173
Independence, Kans.....	2,625	+111	+2
Joplin, Mo.....	8,989	-603	-732
Kansas City, Kans.....	15,055	+337	+2,073
Kansas City, Mo.....	269,765	-24,153	-41,485
Lawrence, Kans.....	3,096	-629	-314
Lincoln, Nebr.....	27,640	-1,341	-539
Muskogee, Okla.....	7,696	-1,611	-800
Oklahoma City, Okla.....	95,519	-3,539	-14,554
Okmulgee, Okla.....	2,485	-280	-259
Omaha, Nebr.....	142,289	-2,776	-2,276
Pittsburg, Kans.....	3,466	-256	-500
Pueblo, Colo.....	24,919	+4,442	-2,576
Salina, Kans.....	8,287	+265	-331
St. Joseph, Mo.....	23,863	-3,236	-1,193
Topeka, Kans.....	15,384	-2,831	+1,599
Tulsa, Okla.....	125,005	-3,894	-27,441
Wichita, Kans.....	39,283	-5,639	-4,553
District, 30 cities.....	1,085,122	-60,936	-105,866
United States, 141 cities	29,405,804	-3,829,510	-2,197,061

Trade

RETAIL SALES

Department store sales declined less than seasonally during November and dollar volume was only 2 per cent lower than a year ago as compared with a decrease of 6 per cent for the first eleven months of the year. In the first three weeks of December, sales were 1 per cent under last year. Retail prices, according to the Fairchild Index, are about 6 per cent under a year ago. Stocks of merchandise increased more than seasonally during November and are now only 7½ per cent lower than at this time last year. Collections on open accounts averaged 46.8 per cent in November as compared with 47.5 per cent last year, while installment collections averaged 15.1 and 15.4 per cent, respectively.

Department store sales and stocks in leading cities:

	No. of Stores	SALES		STOCKS	
		Nov.'38	11 Mos.'38	Nov. 30, '38	compared to
		comp.to Nov.'37	comp.to 11 Mos.'37	Oct.31,'38	Nov.30,'37
		(Per cent increase or decrease)			
Denver.....	4	-4.8	-6.6	+6.7	-6.5
Kansas City.....	4	+3.6	-8.0	+3.0	-16.3
Oklahoma City...	3	+1.5	-1.0	+7.5	+2.3
Omaha.....	3	-5.9	-2.6	-0.5	Zero
Tulsa.....	3	-3.4	-2.9	—	—
Wichita.....	3	-3.6	-10.3	—	—
Other cities.....	19	-3.0	-9.4	+0.1	-10.8
District.....	39	-2.2	-6.2	+4.2	-7.5

Total sales of independent retail stores in November were very little below a year ago but in the first eleven months of the year they were 11 per cent less.

Sales of independent retail stores reported by the Department of Commerce:

	Nov. 1938 per cent change from Nov. 1937					
	Colo.	Kans.	Mo.	Nebr.	Okla.	Wyo.
Apparel.....	-4.2	-10.1	+0.9	-4.4	-7.6	-4.1
Country general...	+1.4	-8.6	-6.4	-8.3	-9.0	-9.8
Department.....	+1.3	-1.3	+2.6	-5.8	+0.4	-7.5
Drug.....	-5.2	-3.6	+1.2	-1.3	+0.5	-15.6
Furn.& applnes....	-13.0	-5.7	-5.8	-15.8	-9.7	-26.8
Grocery.....	-7.0	+0.3	-7.2	-3.7	-4.9	-12.1
Hardware.....	-5.8	-18.5	+3.3	-6.1	-3.5	-20.5
Lbr.& bldg.mtls...	-1.3	+1.2	+3.5	-10.3	+14.3	-5.9
Motor vehicle.....	+7.2	+3.2	+21.6	+2.0	+31.6	-5.5
Total.....	-3.1	-3.9	+1.8	-5.0	-0.5	-10.9

WHOLESALE SALES

The value of November wholesale sales was slightly above a year ago although wholesale prices are still somewhat lower than a year earlier. November was the first month this year that sales exceeded those in the corresponding month last year, total sales for the first eleven months of 1938 showing a decrease of 9 per cent from 1937. In addition to drugs, sales of dry goods, groceries, and hardware show recent improvement over last year. Wholesale stocks are about 10 per cent under a year ago. Collections in November averaged 71.3 per cent against 71.0 per cent last year.

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

	No. of Firms	SALES		STOCKS	
		Nov.'38	11 Mos.'38	Nov. 30, '38	compared to
		comp.to Nov.'37	comp.to 11 Mos.'37	Oct.31,'38	Nov.30,'37
		(Per cent increase or decrease)			
Auto. supplies....	5	-15.4	-7.6	—	—
Clothing.....	3	-4.7	—	-6.1	-35.7
Drugs.....	12	+9.2	+2.6	-3.5	-2.4
Dry goods.....	6	+5.2	-15.5	-11.3	-30.5
Electrical goods..	6	-25.0	-12.5	—	—
Farm products...	3	-11.9	—	—	—
Furniture.....	4	-4.8	-15.9	—	—
Groceries.....	42	+6.3	-7.1	+1.6	-7.8
Hardware-total. (18)		+2.5	-13.7	-2.8	-3.8
General.....	6	-0.7	-14.3	-3.7	-2.5
Industrial....	7	+14.3	-6.3	+2.2	-10.4
Plbg. & htg....	5	Zero	-21.2	—	—
Jwlry.& opt.gds..	3	-12.5	-14.4	-3.3	-12.6
Machinery.....	3	-26.6	—	—	—
Paper.....	4	+0.6	-7.5	—	—
Tobacco & prod..	5	-8.3	—	—	—
All other lines...	11	-8.3	-21.8	+0.6	-10.5
Total.....	125	+2.5	-8.6	-1.9	-10.0

Crops

The acreage seeded to winter wheat in this District in the fall of 1938 was about 20 per cent smaller than the areas sown in either of the two preceding years, reflecting the lower prices received for the 1938 wheat crop, the Agricultural Adjustment program, and to some extent a dry topsoil at seeding time although subsoil moisture reserves are substantially better than a year ago. The acreage is still somewhat above the average from 1926 to 1935 in Kansas and Nebraska where recent summer droughts have caused a shift from corn to winter wheat and in Colorado and Wyoming where the acreage is not only above average but also larger than last year as a result of the unusually good yields harvested in 1938. The condition of winter wheat is rather poor in Kansas and Oklahoma. Early seeded wheat shows the effect of prolonged dry weather and much late seeded wheat has not yet germinated.

Department of Agriculture estimates of winter wheat acreage and condition:

	FALL SEEDED ACREAGE				CONDITION December 1		
	1938	1937*	1936	Aver. '26-'35	1938	1937	1936
	(000 omitted)				(% of normal)		
Colo.....	1,436	1,381	1,341	1,413	82	64	82
Kans.....	13,885	16,933	17,104	13,258	61	73	80
Mo.....	1,761	2,590	3,500	1,760	72	66	80
Nebr.....	3,824	4,721	4,412	3,469	71	71	58
N. Mex....	348	410	410	369	80	64	67
Okla.....	4,469	5,959	5,622	4,650	62	75	68
Wyo.....	253	241	239	176	84	68	68
7 States..	25,976	32,235	32,628	25,095	65	72	75
U. S.....	46,173	56,355	57,656	45,644	72	76	76

November rainfall in the District was about normal or above except in a rather wide strip extending from north-central Nebraska southward through the west-

ern parts of Kansas and Oklahoma and into southeastern Colorado and New Mexico. Most of the precipitation, however, occurred early in the month and since that time very little moisture was received until snow and rain covered some sections of the dry areas in the third week of December. Rainfall for the three months, September through November, was only 83 per cent of normal in Nebraska, 64 per cent in Kansas, and 56 per cent in Oklahoma.

Rainfall

	Nov. 1938		11 Mos. 1938	
	Total	Normal	Total	Normal
	(In inches)			
COLORADO				
Denver.....	1.27	.55	18.84	13.32
Leadville.....	1.43	.93	25.73	17.55
Pueblo.....	.41	.36	12.85	11.17
Lamar.....	.80	.53	17.48	15.44
Garnett.....	.24	.32	9.91	6.72
Steamboat Springs.....	1.66	1.49	22.24	21.16
KANSAS				
Topeka.....	1.92	1.52	28.77	32.57
Iola.....	2.09	2.22	42.78	36.78
Concordia.....	1.72	.99	27.25	25.92
Salina.....	1.38	1.43	26.93	26.50
Wichita.....	2.05	1.39	32.66	29.11
Hays.....	.30	1.01	22.11	23.07
Goodland.....	.19	.72	16.91	18.14
Dodge City.....	.07	.73	18.90	19.94
Elkhart.....	.05	.84	17.22	16.97
MISSOURI				
St. Joseph.....	1.90	1.58	26.33	34.27
Kansas City.....	2.70	1.83	36.42	35.78
Joplin.....	3.57	2.77	38.40	41.83
NEBRASKA				
Omaha.....	1.53	1.07	30.72	27.01
Lincoln.....	1.98	1.07	28.09	26.84
Norfolk.....	1.37	1.62	22.70	27.93
Grand Island.....	.02	1.04	20.54	26.31
McCook.....	.02	.78	18.95	19.13
North Platte.....	.23	.48	21.65	17.67
Bridgeport.....	1.07	.43	19.86	15.71
Valentine.....	.08	.56	18.04	18.33
NEW MEXICO				
Clayton.....	Trace	.72	14.36	15.74
Santa Fe.....	1.09	.68	15.13	13.53
Farmington.....	.05	.86	6.58	8.79
OKLAHOMA				
Tulsa.....	1.47	2.48	40.70	36.83
McAlester.....	2.53	2.84	43.51	40.66
Oklahoma City.....	1.94	1.87	31.49	29.65
Pauls Valley.....	2.80	2.32	41.99	33.10
Hobart.....	2.97	1.66	27.11	26.97
Enid.....	2.31	1.60	34.24	29.48
Woodward.....	.54	1.67	29.71	25.00
WYOMING				
Cheyenne.....	.63	.52	16.50	14.44
Casper.....	.78	.75	10.10	14.21
Lander.....	1.80	.60	12.26	11.95
Sheridan.....	1.23	.63	16.13	14.42

Grain Marketing

Marketings of wheat and corn, although smaller than in the preceding month, continued in heavy volume through November, receipts of wheat being 18 and corn 43 per cent above the November ten-year average. The heavy receipts, however, are not as great a market influence as might be expected as substantial amounts of wheat and corn are going into terminal storage under Government account.

November grain receipts at five District markets:

	Wheat	Corn	Oats	Rye	Barley	Kafir
	(In thousands of bushels)					
Hutchinson.....	1,006	1	—	—	—	31
Kansas City.....	4,785	2,061	168	33	18	143
Omaha.....	739	2,020	138	59	27	—
St. Joseph.....	403	878	344	—	2	—
Wichita.....	1,053	5	—	—	—	5
Nov. 1938.....	7,986	4,965	650	92	47	179
Oct. 1938.....	11,432	6,884	1,070	131	132	129
Nov. 1937.....	5,700	7,481	888	133	69	162
11 Mos. 1938....	170,257	29,424	10,617	1,395	1,137	1,014
11 Mos. 1937....	173,314	22,552	14,084	1,351	1,834	844

Early in December, cash wheat prices strengthened and there was a further advance in corn prices from their low point early in November. Smaller market supplies and improvement in the outlook for exports contributed to the advance. Continued dryness and the rather poor condition of winter wheat also were favorable to stronger wheat prices. About the middle of the month, the rise in prices leveled off.

The lower range of cash grain prices at Kansas City:

	Dec. 23	Nov. 30	Oct. 31	Nov. 30
	1938	1938	1938	1937
No. 1 hd., dk. wheat, bu..	\$.67½	\$.63¾	\$.64¾	\$.92¾
No. 2 mixed corn, bu.....	.47½	.45	.40½	.52½
No. 2 white oats, bu.....	.29	.26	.24	.31½
No. 2 rye, bu.....	.45	.41	.41½	.67
No. 2 barley, bu.....	.39	.37	.37	.48
No. 2 white kafir, cwt.....	.71	.71	.63	.87

Livestock

MARKETINGS

Marketings of cattle, calves, and sheep declined seasonally in November while hog receipts showed a small seasonal increase. Receipts of cattle and calves, although only 8 per cent under the November ten-year average, were nearly 20 per cent smaller than a year ago. Marketings of hogs were 43 and sheep 12 per cent under the average but receipts of both hogs and sheep were about 13 per cent larger than in the same month last year.

November livestock receipts at District markets:

	Cattle	Calves	Hogs	Sheep
	Denver.....	88,320	14,847	25,327
Kansas City.....	116,600	38,019	130,339	91,905
Oklahoma City.....	36,789	13,177	26,189	17,704
Omaha.....	114,434	14,425	124,445	93,397
St. Joseph.....	28,040	5,162	66,121	60,000
Wichita.....	24,020	7,884	16,282	20,247
Nov. 1938.....	408,203	93,514	388,703	463,678
Oct. 1938.....	519,775	139,936	369,020	993,016
Nov. 1937.....	494,641	116,529	342,706	408,533
11 Mos. 1938.....	3,809,035	777,706	3,624,605	7,320,955
11 Mos. 1937.....	4,281,604	918,843	3,292,525	7,098,789

PRICES

Strong cattle and sheep and lamb prices and less than seasonal weakness in hog prices feature the livestock price situation. Prices of beef steers had weakened slightly in November but have resumed their advance in December, prime yearling beef establishing a new high for the year of \$13.50 a hundredweight early in the month. Slaughter lamb prices, which

normally are declining at this season, had advanced almost steadily from the middle of September to late November before turning downward again, while hog prices continue to decline. In addition to the tendency to hold growing and breeding stock in producing areas, thus reducing available slaughter supplies, the cattle market is being supported by a relative scarcity of top grades and a heavy country demand for lower grades for stocking and feeding purposes because of the favorable feed situation. Since late in November, cattle have sold above a year ago, when the sharp break in livestock prices was in progress, and hog and sheep prices are now showing a much less unfavorable comparison with last year.

Top livestock prices at the Kansas City market:

	Dec. 23 1938	Nov. 1938	Oct. 1938	Nov. 1937	Nov. 1936	Nov. 1935
(In dollars per hundredweight)						
Beef steers.....	12.00	11.85	12.50	13.50	12.00	12.25
Stocker cattle.....	9.25	9.25	9.25	8.50	8.00	8.50
Feeder cattle.....	9.00	9.00	9.25	10.00	8.25	8.00
Calves.....	10.00	10.00	10.00	9.50	9.00	9.50
Hogs.....	7.40	8.00	8.60	9.40	9.55	9.65
Sheep.....	6.25	7.00	6.00	7.75	6.75	7.75
Lambs.....	9.00	9.50	8.65	10.15	9.25	11.10

STOCKERS AND FEEDERS

Countryward shipments of stocker and feeder livestock from public markets declined seasonally in November. The movement of cattle and calves continued in fairly heavy volume, shipments of cattle being only 2 per cent below and calves 5 per cent above the November ten-year average. Shipments of hogs were 50 and sheep 21 per cent below the average.

November stocker-feeder shipments:

	Cattle	Calves	Hogs	Sheep
Denver.....	53,595	11,072	162	146,505
Kansas City.....	63,384	15,507	2,368	11,167
Omaha.....	39,054	6,756	538	20,058
St. Joseph.....	5,585	2,047	927	9,970
Nov. 1938.....	161,618	35,382	3,995	187,700
Oct. 1938.....	227,645	42,531	4,030	496,211
Nov. 1937.....	161,528	32,814	3,569	193,357
11 Mos. 1938.....	1,088,649	161,137	41,332	1,472,252
11 Mos. 1937.....	1,088,910	163,032	43,274	1,462,349

According to the Department of Agriculture, developments to early December gave further evidence of increased cattle feeding in Corn Belt states this winter, and an increase in lamb feeding, including lambs on Kansas and Nebraska wheat fields, now appears likely. In Nebraska, a reduction of 25 per cent in the number of lambs on feed in the Scottsbluff area will be largely but not wholly offset by increases elsewhere in that state. The high price of feeder cattle and lambs and rather unfavorable returns from last year's feeding operations, however, are holding down feeding operations in western states, particularly in Colorado. A decrease is also indicated in Oklahoma.

Ranges in the District are generally in excellent condition except in western Kansas and Oklahoma where the shortage of moisture has restricted the growth of range feed and where prospects for winter grain pastures also are unfavorable. Ample supplies of supplemental feeds, however, are available in virtually all sections of the District and livestock is generally in good condition.

PIG CROP

The fall pig crop in this District was 29 per cent larger than a year ago, following a spring crop 19 per cent larger than last year. A further sharp upswing in hog production is indicated by a prospective increase of 35 per cent over a year earlier in the number of sows to farrow next spring.

Department of Agriculture pig crop estimates:

	PIGS SAVED				SOWS FARROWED	
	Fall		Spring		Spring	
	1938	1937	1938	1937	*1939	1938
(In thousands)						
Colo.....	152	147	165	179	39	27
Kans.....	798	620	855	745	188	130
Mo.....	1,926	1,451	2,038	1,588	390	307
Nebr.....	820	632	2,128	1,876	462	330
N. Mex.....	48	50	54	62	10	10
Okla.....	676	525	632	503	138	102
Wyo.....	15	12	40	31	10	8
7 States.....	4,435	3,437	5,912	4,984	1,237	914
U. S.....	27,651	23,431	43,437	38,476	8,237	6,825

*Number indicated to farrow from breeding intentions reports.

Farm Income

October cash farm income in the District was about 15 per cent below a year ago, reflecting a decrease of 23 per cent in receipts from the sale of crops and of 15 per cent from the sale of livestock and livestock products. Government payments, as in other recent months, were substantially larger than last year. October income from crops was higher in Nebraska, where increased marketings of corn, together with Commodity Credit Corporation loans on corn, accounted for a small increase, but was down sharply in other states of the District, particularly in Kansas, where cash receipts from crops were less than a third as large as a year ago. Receipts from livestock showed the largest decline in Nebraska and Wyoming with decreases of about 30 per cent.

Income estimates of the Department of Agriculture:

	Change from		
	Oct. 1938	Sept. 1938	Oct. 1937
(In thousands of dollars)			
Colorado.....	17,268	+5,386	-1,957
Kansas.....	17,856	-3,980	-6,892
Missouri.....	25,263	+2,721	-1,903
Nebraska.....	18,858	+3,875	-5,703
New Mexico.....	8,200	+4,126	-276
Oklahoma.....	17,882	+1,484	-197
Wyoming.....	7,826	+1,544	-2,649
Seven states.....	113,153	+15,156	-19,577
United States.....	839,000	+75,000	-73,000

Meat Packing

During November the proportion of market receipts of livestock being returned to the country as stockers and feeders declined somewhat and the supply available for slaughter increased correspondingly. As a result, packers' purchases of cattle were only 8 and sheep 2 per cent below the November average of the past ten years, while calf slaughter was 19 and hog slaughter 38 per cent below average. The slaughter of cattle and calves continues considerably below and that of hogs and sheep considerably above a year ago.

November packers' purchases at District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	17,549	2,683	20,894	27,298
Kansas City.....	51,358	13,500	124,583	76,372
Oklahoma City.....	20,456	9,006	15,772	11,552
Omaha.....	59,403	7,669	106,815	67,060
St. Joseph.....	20,145	3,151	61,626	49,257
Wichita.....	11,222	3,658	13,598	8,115
Nov. 1938.....	180,133	39,667	343,288	239,654
Oct. 1938.....	193,211	51,635	323,475	274,869
Nov. 1937.....	211,890	60,068	296,478	189,478
11 Mos. 1938.....	1,940,367	462,050	3,203,673	3,376,572
11 Mos. 1937.....	2,080,132	629,298	2,909,968	3,305,855

Cold Storage Holdings

United States cold storage stocks of meats, lard, and poultry increased and holdings of eggs, butter, and cheese declined seasonally during November. Total stocks of meat continue very low, December 1 holdings being the lowest of record for that date. Stocks of eggs also are exceptionally small but holdings of poultry and butter are very large.

United States cold storage holdings:

	Dec. 1 1938	Nov. 1 1938	Dec. 1 1937	Dec. 1 5-Yr. Av.
	(In thousands of units)			
Beef, lbs.....	52,762	41,218	53,741	99,128
Pork, lbs.....	296,600	251,645	306,630	424,922
Lamb and mutton, lbs.....	3,073	2,606	2,286	4,194
Poultry, lbs.....	117,837	77,692	108,746	108,202
Miscellaneous meats, lbs..	53,744	50,268	50,546	75,103
Lard, lbs.....	72,281	67,667	33,966	80,108
Eggs, shell, cases.....	1,441	3,244	2,672	2,437
Eggs, frozen (case equiv.)	2,232	2,694	3,455	2,370
Butter, creamery, lbs.....	158,872	194,285	66,191	89,241
Cheese, all varieties, lbs....	127,599	132,326	108,497	107,369

Flour Milling

Activity at southwestern flour mills dropped seasonally in November. The steadily dwindling backlog of orders is exceptionally low and flour sales continue in small volume with the approaching inventory and seasonally dull holiday period. This situation, however, has been offset to some extent by recent heavy grinding on Government purchases of flour for relief purposes, and operations remain at a fairly high level for this time of year. November flour production was slightly lower than a year ago or the November average of the past ten years, while output for the first eleven months of the year shows a decline of 6 per

cent from last year. Flour and millfeed prices are steady to slightly higher.

Flour production reported by the Northwestern Miller:

	Nov. 1938	Oct. 1938	Change from Nov. 1937
	(In barrels)		
Kansas City.....	586,000	-71,000	-51,000
Salina.....	214,000	-6,000	+43,000
Wichita.....	155,000	-19,000	-32,000
Other cities.....	1,074,000	-125,000	-29,000
Southwest.....	2,029,000	-221,000	-69,000
United States*.....	5,588,000	-791,000	-29,000

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

Petroleum

Daily average crude oil production in the District declined slightly further in November. Output continues to hold at about the average level of the past ten years although production both in November and in the first eleven months of the year was about 19 per cent under the high level of last year.

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

	Nov. 1938		Oct. 1938		Nov. 1937	
	Gross	D. Av.	Gross	D. Av.	Gross	D. Av.
	(In thousands of barrels)					
Colo.....	115	3.8	125	4.0	132	4.4
Kans.....	4,524	150.8	4,835	156.0	5,591	186.4
N. Mex.....	3,213	107.1	3,093	99.8	3,206	106.9
Okl.....	13,275	442.5	14,066	453.7	17,395	579.8
Wyo.....	1,587	52.9	1,649	53.2	1,585	52.8
5 States.....	22,714	757.1	23,768	766.7	27,909	930.3
U. S.....	99,357	3,311.9	101,830	3,284.8	104,206	3,473.5

Prices of both crude petroleum and motor gasoline continue weak, despite a further reduction in stocks of crude petroleum produced in this District and the unexpectedly high rate of gasoline consumption as a result of mild weather that has prolonged the motoring season. Crude stocks are now 19 per cent under the rather high level of a year ago and stocks of gasoline, as well as crude oil, are in much better balance with prospective requirements than late in 1937.

Coal

Output of bituminous coal showed a further seasonal increase in November. Production in November was only 2 per cent less than a year ago while that for the year to date is 19 per cent less.

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

	Nov. 1938	Oct. 1938	Change from Nov. 1937
	(In tons)		
Colorado.....	716,000	+175,000	-10,000
Kansas and Missouri.....	569,000	+36,000	-102,000
New Mexico.....	146,000	+16,000	+14,000
Oklahoma.....	200,000	+22,000	-7,000
Wyoming.....	621,000	+56,000	+49,000
Six states.....	2,252,000	+305,000	-56,000
United States.....	35,480,000	+386,000	-948,000

Zinc and Lead

Shipments of zinc from the Tri-State mining district increased somewhat in November, reflecting principally the advance in prices in the early part of the month that released supplies which were being held firmly by producers, and there was a further small increase in shipments of lead. Zinc shipments were 13 per cent larger but lead shipments 14 per cent smaller than in November of last year.

November shipments from the Tri-State district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Kansas.....	11,645	\$ 353,070	1,265	\$ 71,518
Missouri.....	1,563	47,272	258	14,564
Oklahoma.....	24,211	736,456	2,972	168,054
Nov. 1938.....	37,419	\$ 1,136,798	4,495	\$ 254,136
Oct. 1938.....	32,198	952,469	4,229	239,130
Nov. 1937.....	32,995	1,105,845	5,212	295,846
11 Mos. 1938.....	346,093	9,664,571	46,819	2,408,030
11 Mos. 1937.....	436,979	17,777,888	59,441	4,248,203

Following advances in the preceding two months, zinc and lead prices dropped sharply in the latter part of November and the forepart of December.

Employment and Pay Rolls

Following a further rise from the middle of September to the middle of October, employment and pay rolls in the seven states that are wholly or partly in this District declined slightly from October to November. Employment and pay rolls at the middle of November were about 6 per cent below a year ago.

Preliminary figures of the Department of Labor:

	November 1938 per cent change from October 1938	
	Employment	Pay Rolls
Colorado.....	-0.7	+6.5
Kansas.....	-0.6	-1.9
Missouri.....	+0.1	-1.0
Nebraska.....	+1.0	+4.4
New Mexico.....	-2.8	+4.0
Oklahoma.....	-1.4	-1.5
Wyoming.....	+0.1	+5.2
Seven states.....	-0.2	-1.0

Building

The value of construction contracts awarded in this District in November was 30 per cent larger than a year ago, residential awards showing an increase of 57 per cent and awards for other types of building an increase of 23 per cent. For the year to date, residential awards are still 4 per cent below a year ago but nonresidential and total awards are now higher.

Construction figures of the F. W. Dodge Corporation:

	TENTH DISTRICT		37 EASTERN STATES	
	Residential	Total	Residential	Total
	(In thousands of dollars)			
Nov. 1938.....	2,990	13,392	95,253	301,679
Oct. 1938.....	3,211	11,154	112,673	357,698
Nov. 1937.....	1,905	10,334	59,900	198,400
11 Mos. 1938.....	31,122	115,260	894,248	2,810,823
11 Mos. 1937.....	32,320	114,717	862,075	2,709,004

The value of November building permits in reporting District cities was nearly 80 per cent greater than a year ago and the largest for any November since 1929. So far this year, however, value of permits is down 16 per cent from last year.

November building permits issued in District cities:

	PERMITS		ESTIMATED COST	
	1938	1937	1938	1937
Albuquerque, N. Mex....	48	52	\$ 265,000	\$ 89,000
Cheyenne, Wyo.....	30	27	87,000	32,000
Colorado Springs, Colo.	44	61	24,000	28,000
Denver, Colo.....	512	484	454,000	398,000
Hutchinson, Kans.....	58	74	36,000	41,000
Joplin, Mo.....	15	14	40,000	21,000
Kansas City, Kans.....	13	24	698,000	39,000
Kansas City, Mo.....	124	110	809,000	163,000
Lincoln, Nebr.....	119	94	74,000	132,000
Oklahoma City, Okla....	172	141	391,000	395,000
Omaha, Nebr.....	130	89	151,000	261,000
Pueblo, Colo.....	47	45	28,000	16,000
Salina, Kans.....	24	9	59,000	18,000
Shawnee, Okla.....	5	15	2,000	7,000
St. Joseph, Mo.....	9	16	11,000	5,000
Topeka, Kans.....	39	49	48,000	38,000
Tulsa, Okla.....	147	62	284,000	300,000
Wichita, Kans.....	227	141	292,000	112,000
November.....	1,763	1,507	\$ 3,753,000	\$ 2,095,000
October.....	2,504	2,246	3,379,000	3,938,000
Eleven months.....	22,388	22,066	33,136,000	39,311,000

Lumber

Reflecting the marked improvement in building operations in recent months, retail lumber sales continue at a level substantially above that of a year ago. November board feet sales were 27 per cent larger than last year and total sales for the first eleven months of the year are now above the corresponding period last year.

Collections on amounts outstanding averaged 29.8 per cent in November as compared with 34.0 per cent in October and 32.3 per cent in November a year ago.

Lumber trade at 154 retail yards in the District:

	November 1938 per cent change from Oct. 1938	
	Nov. 1937	Nov. 1937
Sales of lumber, board feet.....	-14.2	+27.4
Sales of all materials, dollars.....	-9.2	+9.3
Stocks of lumber, board feet.....	+0.1	-8.6
Outstandings, dollars.....	+1.2	+10.7

Life Insurance

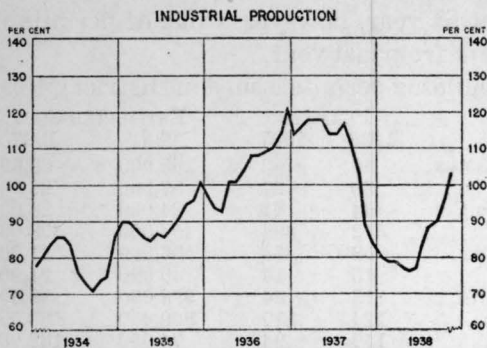
Life insurance sales in the District in November were 8 and in the first eleven months of the year 13 per cent lower than in the same periods last year.

The Life Insurance Sales Research Bureau report:

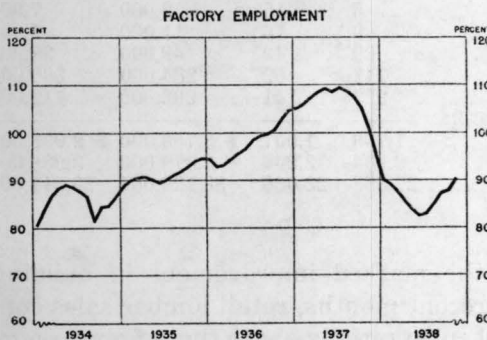
	Change from		
	Nov. 1938	Oct. 1938	Nov. 1937
	(In thousands of dollars)		
Colorado.....	4,825	+577	-1,162
Kansas.....	6,631	+705	-1,467
Missouri.....	17,548	+2,657	-370
Nebraska.....	5,290	+645	+96
New Mexico.....	974	-277	-247
Oklahoma.....	8,072	-231	-619
Wyoming.....	1,296	+227	+155
Seven states.....	44,636	+4,303	-3,614
United States.....	570,648	+81,692	-2,697

NATIONAL SUMMARY OF BUSINESS CONDITIONS

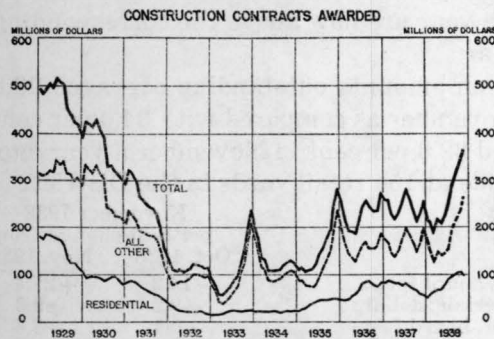
By the Board of Governors of the Federal Reserve System



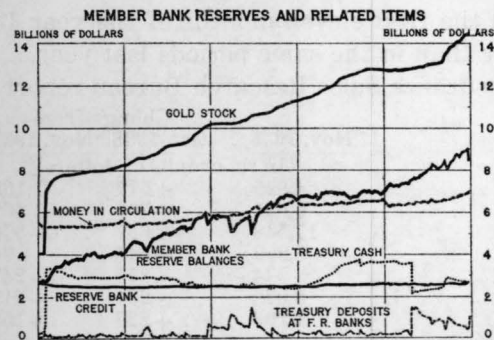
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average=100. By months, January, 1934, through November, 1938.



Index of number employed, adjusted for seasonal variation, 1923-1925 average=100. By months, January, 1934, through November, 1938.



Three-month moving averages of F. W. Dodge data for value of contracts awarded in 37 Eastern States, adjusted for seasonal variation. Latest figures based on data for September and October and estimate for November.



Wednesday figures, January 3, 1934, through December 21, 1938.

The sharp rise in industrial production, which began early last summer, continued in November. Preliminary reports for the first three weeks of December indicate some slowing down in the advance. Employment also increased in November and pay rolls showed little change, although a decline is usual at this season. Distribution of commodities to consumers increased considerably.

PRODUCTION

The Board's seasonally adjusted index of industrial production in November rose to 103 per cent of the 1923-1925 average from 96 per cent in October. Output of steel continued to increase, contrary to the seasonal trend, and there was a further sharp rise in automobile production. In the first three weeks of December activity at steel mills declined somewhat more than seasonally, while output of automobiles continued at the high level reached at the end of November. Lumber production in November decreased by more than the usual seasonal amount. In the nondurable goods industries, shoe production declined seasonally, while output of textiles showed a considerable expansion, with increased activity at cotton, wool, and silk mills. At mines, bituminous coal output increased further and production of anthracite showed less than the usual seasonal decline. Output of petroleum showed little change.

Value of construction contracts awarded in November showed a decline from the high level reached in October, according to F. W. Dodge figures for 37 Eastern States. Private and public projects both declined, following increases in October. The decline in contracts for private residential building was less than seasonal.

EMPLOYMENT

Employment increased somewhat further and pay rolls showed little change between the middle of October and the middle of November, although declines are usual at this time of year. In manufacturing the number employed continued to rise, reflecting principally a further sharp increase at automobile factories and substantial increases in the machinery, steel, and textile industries. Employment declined seasonally at establishments producing clothing and shoes; in most other industries employment increased somewhat. In lines other than manufacturing, employment showed some increase, when allowance is made for usual seasonal changes.

DISTRIBUTION

Distribution of commodities to consumers showed a considerable increase in November. Department store sales and mail-order sales, which had been retarded in October by unseasonably warm weather, rose sharply, and sales at variety stores also increased in November. Sales of automobiles to consumers expanded sharply following the introduction of new models and in November were larger than a year earlier.

Freight carloadings, which had increased considerably in previous months, showed a slightly less than seasonal decline in November.

COMMODITY PRICES

Prices of some industrial materials, such as nonferrous metals, hides, and cotton goods, decreased somewhat from the middle of November to the third week of December. Sugar prices also declined, while grains advanced somewhat. Prices of most other agricultural and industrial commodities continued to show little change.

BANK CREDIT

In connection with pre-holiday trade, there was a sharp increase in money in circulation and as the result of this increase in the demand for currency, together with Treasury operations around December 15, there was a temporary decline in member bank reserves.

Following declines during November, total loans and investments of reporting member banks in 101 leading cities increased during the first three weeks of December, largely reflecting operations of the Treasury. Loans to security dealers by New York banks increased sharply, reflecting temporary borrowing for the purpose of carrying Government securities exchangeable for new issues on December 15. Adjusted demand deposits rose to a new high level in the first half of December.