

MONTHLY REVIEW

Agricultural and Business Conditions

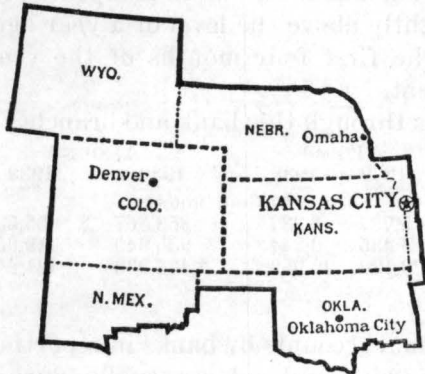
TENTH FEDERAL RESERVE DISTRICT

VOL. 24, No. 5

FEDERAL RESERVE BANK OF KANSAS CITY

MAY 31, 1939

Business in the Tenth Federal Reserve District



April was unusually dry and near the end of the month wheat was deteriorating rather rapidly. Scattered light rains in the first three weeks of May have brought some relief. Otherwise, conditions have been generally favorable for the planting of crops.

Wheat and corn are coming to market in much larger quantities than a year ago. Prices of these grains have strengthened, especially wheat prices. Hogs are being marketed in much larger numbers and cattle moderately so. The price of beef steers and hogs is about a cent a pound lower than in March, but lamb prices are somewhat higher.

Wholesale and retail trade have been lower than a year ago, but the April figures were adversely affected by fewer business days and an earlier Easter. Probably trade activity is little changed from last year.

Construction activity and lumber sales continue the most favorable aspect of the situation.

BUSINESS INDICATORS	APRIL 1939 COMPARED WITH APRIL 1938						4 MOS. 1939 COMPARED WITH 4 MOS. 1938					
	% 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												
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

Loans at reporting member banks in the Tenth District increased somewhat from the middle of April to the middle of May and early in May were at the highest level this year. Commercial loans had risen sharply early in May but at the middle of the month were again declining while real estate loans and so-called "all other" loans continued to increase. Investments showed little change during the period. Reporting banks continued to reduce their holdings of Treasury notes and Government bonds and to increase their holdings of Treasury bills, of obligations guaranteed by the Government, and of "other" securities. The reduction in holdings of Government bonds was rather substantial and total holdings of Government issues are the smallest this year. Loans are now 8 and investments about 3 per cent larger than a year ago.

Adjusted and other demand deposits increased from the middle of April to the middle of May and there was an increase in reserve balances carried at this bank and a large increase in correspondent balances carried at other banks. Adjusted demand deposits are about 5 per cent larger than a year ago, deposits due to banks are 7 per cent larger, and balances due from banks are 6 per cent larger.

Principal items of condition of 51 member banks:

	Change from		
	May 17 1939	Apr. 19 1939	May 18 1938
	(In thousands of dollars)		
Loans and investments—total.....	657,227	+2,860	+31,042
Loans—total.....	259,323	+2,968	+18,914
Coml., indust., agric.....	153,381	+632	+7,605
Open market paper.....	18,042	-411	-136
To security brokers and dealers..	4,463	+234	+1,072
Other to purchase or carry secur..	9,974	-44	-2,216
Real estate loans.....	24,350	+703	+2,770
Loans to banks.....	543	+212	+8
All other loans.....	48,570	+1,642	+9,811
Investments—total.....	397,904	-108	+12,128
U. S. Treasury bills.....	6,371	+847	*
U. S. Treasury notes.....	83,464	-684	*
U. S. Govt. bonds.....	111,101	-5,178	*
Oblig. guar. by U. S. Govt.....	56,933	+256	+14,289
Other securities.....	140,035	+4,651	+27,532
Reserve with F. R. Bank.....	162,888	+2,949	+11,912
Balances with domestic banks.....	283,775	+9,965	+15,128
Demand deposits—adjusted.....	496,693	+4,507	+25,400
Time deposits.....	144,185	+231	-62
U. S. Govt. deposits.....	23,301	-182	+5,267
Interbank deposits.....	372,431	+11,652	+22,900

*Comparable figures not available.

Reserve Bank Operations

Note circulation of this bank continues to rise gradually, averaging nearly 170 $\frac{2}{3}$ million dollars in the first half of May as compared with an average of slightly above 169 million in April, 168 $\frac{3}{4}$ million in March, and about 168 million in February. Circulation of about 170 $\frac{3}{4}$ million at the middle of May compares with 165 million at this time in 1938.

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

	Change from		
	May 17 1939	Apr. 19 1939	May 18 1938
	(In thousands of dollars)		
Total reserves.....	336,988	+17,203	+28,292
Bills discounted.....	427	+3	+212
Bills purchased.....	16	Zero	Zero
Industrial advances.....	211	-3	-258
Commit. to make indust. adv.....	646	-18	+278
U. S. Government securities.....	132,140	Zero	+7,513
Total assets.....	510,597	+17,391	+37,549
F. R. notes in circulation.....	170,713	+2,203	+5,671
Member bank reserve deposits..	231,649	+5,089	+13,305

Dollar volume of check collections declined by about the usual seasonal amount from March to April. Volume continues slightly above the level of a year ago, the increase for the first four months of the year measuring 2 per cent.

Check collections through this bank and branches:

	ITEMS		AMOUNT	
	1939	1938	1939	1938
	(In thousands)			
April.....	5,787	5,937	\$ 858,867	\$ 855,536
March.....	6,435	6,344	935,949	919,052
Four months.....	23,122	22,939	3,495,933	3,431,258

Bank Debits

Debits to individual accounts by banks in reporting centers of the District declined seasonally during April and continue slightly below a year ago. For the year to date, volume of payments by check in this District is about 2 per cent smaller than last year but for the whole country it is 3 per cent larger.

Payments by check in thirty District cities:

	Change from		
	Apr. 1939	Mar. 1939	Apr. 1938
	(In thousands of dollars)		
Albuquerque, N. Mex.....	14,528	-893	+945
Atchison, Kans.....	2,698	-61	-179
Bartlesville, Okla.....	26,721	+296	-1,700
Casper, Wyo.....	5,515	+181	+376
Cheyenne, Wyo.....	8,264	-68	+533
Colorado Springs, Colo....	10,920	-2,636	-2,396
Denver, Colo.....	146,680	-5,348	+1,834
Emporia, Kans.....	2,773	-125	-147
Enid, Okla.....	9,052	-667	-1,620
Freemont, Nebr.....	2,561	-223	+216
Grand Junction, Colo.....	3,638	+37	+305
Guthrie, Okla.....	1,354	-132	-243
Hutchinson, Kans.....	9,854	-281	-370
Independence, Kans.....	2,696	-95	+169
Joplin, Mo.....	8,845	-654	+451
Kansas City, Kans.....	14,637	-281	-137
Kansas City, Mo.....	270,376	-15,855	-942
Lawrence, Kans.....	3,134	-533	-176
Lincoln, Nebr.....	26,918	-690	+267
Muskogee, Okla.....	7,070	-881	-257
Oklahoma City, Okla.....	101,858	+2,099	-804
Okmulgee, Okla.....	2,600	+43	-125
Omaha, Nebr.....	132,098	-10,448	-1,246
Pittsburg, Kans.....	3,360	-284	-379
Pueblo, Colo.....	14,586	+2,627	-2,397
Salina, Kans.....	6,973	-560	-788
St. Joseph, Mo.....	24,197	-1,254	+290
Topeka, Kans.....	16,345	-508	-44
Tulsa, Okla.....	122,669	-1,925	-17,092
Wichita, Kans.....	40,349	-1,216	-2,670
District, 30 cities.....	1,043,269	-40,335	-28,326
United States, 141 cities..	30,143,411	-4,342,388	-1,025,681

Trade

RETAIL SALES

Dollar volume of April sales at reporting department stores in the District was about 3 per cent less than a year ago. The month had one less business day this year than last, the Easter date in 1939 was one week earlier on April 9 while in 1938 it was April 17, and retail prices are slightly lower than at this time last year. When allowance is made for these factors, the volume of sales on a comparable basis probably was above a year ago. In the first three weeks of May, dollar volume was 4 per cent above last year.

Stocks of merchandise continue about 4 per cent under a year ago. Collections on open accounts averaged 44.0 per cent in April as compared with 45.1 per cent last year while installment collections averaged 15.5 and 15.3 per cent, respectively.

Department store sales and stocks in leading cities:

	SALES		STOCKS	
	Apr. '39 No. of comp. to Stores Apr. '38	4 Mos. '39 comp. to 4 Mos. '38	Apr. 30, '39 comp. to Mar. 31, '39	Apr. 30, '38
	(Per cent increase or decrease)			
Denver.....	4	-4.5	-1.2	-3.6
Kansas City.....	4	-0.3	-1.4	+3.9
Oklahoma City..	3	+1.7	+2.8	-2.3
Omaha.....	3	-3.8	-1.7	Zero
Tulsa.....	4	-1.8	-1.9	-1.2
Wichita.....	3	-7.3	-3.9	....
Other cities.....	19	-2.9	-2.2	-2.0
District.....	40	-2.7	-1.3	-1.0

Total retail sales in April and in the first four months of the year were slightly above a year ago. Sales of automobiles, drugs, and lumber generally show increases.

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

	Apr. 1939 per cent change from Apr. 1938						
	Colo.	Kans.	Mo.	Nebr.	N.Mex.	Okla.	Wyo.
Automobile.....	+21.8	+6.1	+32.4	+9.3	-7.7	+9.5	+11.1
Country genl....	+0.5	-11.3	-1.7	-8.3	-7.6	-1.9	-3.8
Department.....	-3.1	-2.7	-0.6	-0.9	-6.9	-0.5	-9.5
Drug.....	-2.1	-4.2	+3.9	+4.9	+3.2	+2.1	-2.1
Furniture.....	-2.3	-6.3	-3.5	-11.9	+9.6	-10.2	-6.7
Grocery.....	-4.9	-2.5	-5.8	-6.0	-2.2	-5.4	-8.7
Hardware.....	+12.2	-14.4	-2.4	-6.5	....	+7.9	+19.3
Lbr. & mtls.....	+0.1	-11.6	+14.1	-0.5	+17.0	-5.8	+18.1
Men's wear.....	-1.6	-6.7	-3.3	-0.4	....	+7.3	+10.9
Women's wear..	-14.5	-0.7	-4.7	....	....	-9.1	-8.1
Total.....	+3.4	-3.7	+1.7	-1.1	+0.2	+0.4	+2.6

WHOLESALE SALES

The value of April wholesale sales in the District was 3 per cent under a year ago and decreases were general for all principal lines. For the year to date, however, sales of drugs, furniture, and hardware are larger, and total sales very little smaller, than last year. Dollar inventories at the close of April were more than 8 per cent less than a year earlier. Collections in April averaged 74.2 per cent of amounts receivable as compared with 79.0 per cent last year.

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

	SALES		STOCKS	
	Apr. '39 No. of comp. to Firms Apr. '38	4 Mos. '39 comp. to 4 Mos. '38	Apr. 30, '39 comp. to Mar. 31, '39	Apr. 30, '38
	(Per cent increase or decrease)			
Auto. supplies...	10	-1.7	+0.4	+2.3
Clothing.....	3	-4.8	-6.0	Zero
Drugs.....	8	-3.2	+2.2	+0.7
Dry goods.....	7	-7.4	-3.5	-2.4
Electl. goods....	10	+3.3	+6.0	+2.8
Farm products...	12	-6.6	....	-12.5
Furniture.....	4	-5.4	+3.9	....
Groceries.....	37	-4.6	-3.5	+1.5
Hdwre.—total..(14)		-0.9	+6.9	+1.2
General.....	4	+2.9	-0.1	+1.4
Industrial.....	4	+2.4	+25.8	+0.5
Plbg. & htg....	6	-16.3	-1.7	....
Jwly. & opt.gds.	4	+2.6	....	+3.2
Tobacco & prod..	8	-2.4	-2.9	....
All other lines...	19	+6.6	+0.5	-1.2
Total.....	136	-3.0	-1.2	+0.5

Crops

Deficient rainfall in April reduced winter wheat prospects somewhat in Kansas, Oklahoma, and Nebraska. Because of above normal precipitation in the early spring, the condition of wheat in Kansas had been improving rapidly up until about the middle of April when lack of moisture, together with high winds and above normal temperatures, caused a definite decline in condition, particularly in southwestern Kansas where wheat had made rank growth. Persistent drought in Oklahoma in April resulted in a marked deterioration in wheat in southern, central, and north-eastern sections of the state and wheat in Nebraska is generally poor except in the extreme western and southeastern sections of that state. On the whole, wheat is backward, stands are thin and spotted, and plants are weak and lack the vitality to withstand a prolonged dry period. Scattered rains in May have halted to some extent the rapid deterioration that was in progress early in the month.

Department of Agriculture winter wheat estimates:

	ACREAGE		YIELD PER ACRE		PRODUCTION	
	ABANDONED 1939	1938	Indic. 1939	Final 1938	Indic. 1939	Final 1938
	(Per cent)		(Bushels)		(1,000 Bushels)	
Colo.....	20.0	27.2	14.0	14.5	16,086	14,587
Kans.....	24.0	14.4	11.0	10.5	116,083	152,114
Mo.....	6.0	6.4	13.5	13.0	22,342	31,512
Nebr.....	17.0	6.8	13.5	12.0	42,849	52,824
N. Mex.....	30.0	42.0	13.0	10.0	3,172	2,380
Okla.....	10.0	11.0	11.0	11.0	44,242	58,322
Wyo.....	20.0	24.9	12.5	13.0	2,525	2,353
7 States.....	19.2	13.0	11.8	11.2	247,299	314,092
U. S.....	15.7	11.8	14.0	13.8	543,928	686,637

Winter wheat production in the District, on the basis of May 1 estimates which do not include any deterioration since that time, will be about 20 per cent smaller than last year owing chiefly to the smaller acreage seeded last fall. Indicated yields per

acre are generally larger than last year and acreage abandonment, including planted acreage diverted to uses other than for grain, so far has not been unusually heavy except in central and southern Nebraska and north central and northwestern Kansas.

April rainfall for Nebraska averaged only 58 per cent of normal, Kansas 76, Oklahoma 72, Wyoming 60, and Colorado 53 per cent of normal. It was 99 per cent of normal in New Mexico and 129 per cent in Missouri.

Rainfall

	Apr. 1939		4 Mos. 1939	
	Total	Normal	Total	Normal
	(In inches)			
COLORADO				
Denver.....	.80	2.06	3.83	4.03
Leadville.....	1.22	1.78	6.37	6.08
Pueblo.....	2.04	1.31	5.23	2.68
Lamar.....	.24	1.77	3.43	3.43
Garnett.....	.53	.59	1.84	1.30
Steamboat Springs.....	1.48	1.90	9.53	8.87
KANSAS				
Topeka.....	3.72	2.78	7.21	7.33
Iola.....	3.25	3.90	8.59	9.29
Concordia.....	2.57	2.36	6.07	5.08
Salina.....	1.12	2.47	4.87	5.56
Wichita.....	2.14	2.91	6.73	6.69
Hays.....	1.65	2.29	4.16	4.37
Goodland.....	1.34	2.06	6.24	3.74
Dodge City.....	.46	1.94	3.16	4.01
Elkhart.....	1.41	1.75	4.24	3.44
MISSOURI				
St. Joseph.....	2.71	3.19	9.59	8.62
Kansas City.....	7.04	3.14	10.44	8.61
Joplin.....	3.04	4.70	9.86	11.74
NEBRASKA				
Omaha.....	.64	2.51	3.58	5.47
Lincoln.....	1.66	2.53	5.89	5.38
Norfolk.....	1.53	2.69	4.33	5.36
Grand Island.....	1.26	2.45	3.57	5.12
McCook.....	2.45	1.86	5.10	3.74
North Platte.....	1.26	2.06	2.99	3.80
Bridgeport.....	.56	2.12	3.50	3.81
Valentine.....	.83	2.18	3.32	4.46
NEW MEXICO				
Clayton.....	1.12	1.70	2.75	3.23
Santa Fe.....	1.19	1.00	4.74	3.22
Farmington.....	.35	.64	2.51	2.60
OKLAHOMA				
Tulsa.....	.83	4.13	6.28	10.72
McAlester.....	3.90	4.58	12.10	12.74
Oklahoma City.....	1.08	3.29	6.43	7.57
Pauls Valley.....	1.48	3.88	7.64	9.07
Hobart.....	1.12	3.10	7.80	6.40
Enid.....	2.85	3.26	8.45	7.08
Woodward.....	4.22	2.49	10.00	5.60
WYOMING				
Cheyenne.....	1.81	1.99	5.00	4.07
Casper.....	.78	1.96	1.74	4.71
Lander.....	.80	2.06	2.78	4.44
Sheridan.....	1.96	1.92	4.19	4.63

Grain Marketing

Wheat marketings remained in heavy volume through April as prices strengthened and country holders continued to liquidate large farm and elevator stocks, including Federal loan wheat repossessed by growers. Receipts of wheat were 32 per cent larger than in April a year ago and 39 per cent above average. Corn marketings increased sharply during April, prices being somewhat firmer and commodity

credit loans on the 1938 crop no longer being available. Receipts of corn were 28 per cent larger than a year ago although still less than half of normal.

April grain receipts at five District markets:

	Wheat	Corn	Oats
	(In bushels)		
Hutchinson.....	1,065,000	....	....
Kansas City.....	3,898,000	888,000	206,000
Omaha.....	1,072,000	454,000	252,000
St. Joseph.....	226,000	200,000	258,000
Wichita.....	1,216,000	....	....
Apr. 1939.....	7,477,000	1,542,000	716,000
Mar. 1939.....	7,634,000	1,160,000	932,000
Apr. 1938.....	5,653,000	1,202,000	374,000
4 Mos. 1939.....	27,121,000	6,212,000	3,686,000
4 Mos. 1938.....	24,398,000	11,113,000	2,897,000

Cash wheat prices strengthened slightly during the first three weeks of April and rose sharply in the last week of the month and early in May to the highest level in nearly a year, influenced principally by adverse growing conditions for the new crop. Cash corn prices also advanced and in the latter part of May there was a further rise in wheat prices.

The lower range of cash prices at Kansas City:

	May 24	Apr. 29	Mar. 31	Apr. 30
	1939			
No. 1 hd., dk. wheat, bu.....	\$.76¼	\$.72	\$.68¾	\$.80½
No. 2 mixed corn, bu.....	.50¾	.47½	.46	.54½
No. 2 white oats, bu.....	.34	.31½	.29¾	.27½
No. 2 rye, bu.....	.53	.47½	.43½	.55
No. 2 barley, bu.....	.43½	.41½	.40	.51
No. 2 white kafir, cwt.....	1.05	.86	.77	.83

Livestock

MARKETINGS

Marketings of cattle, calves, and hogs declined and receipts of sheep increased seasonally during April. Marketings of all livestock were exceptionally light. Cattle receipts were 5 and hog receipts 37 per cent above their record lows for April a year ago but were 21 and 45 per cent, respectively, under average. Receipts of calves were 7 and sheep 5 per cent smaller than last year and 10 and 20 per cent, respectively, under the average.

April livestock receipts at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	27,584	5,149	21,087	214,260
Kansas City.....	89,038	17,478	129,781	131,378
Oklahoma City.....	24,321	9,975	43,263	17,785
Omaha.....	77,074	4,800	94,405	140,947
St. Joseph.....	18,239	4,790	48,662	115,360
Wichita.....	20,457	3,295	31,775	16,245
Apr. 1939.....	256,713	45,487	368,973	635,975
Mar. 1939.....	279,004	50,510	376,945	581,739
Apr. 1938.....	243,895	48,868	270,194	667,203
4 Mos. 1939.....	1,089,099	199,856	1,609,034	2,156,463
4 Mos. 1938.....	1,159,324	222,458	1,445,075	2,203,497

PRICES

Prices of beef steers declined in April as is usual at this season. The cattle market, however, continues relatively strong, being supported at the top by a scarcity of prime finished steers and at the bottom by

the heavy demand for the short supplies of stockers and feeders. While most of the weakness has occurred in intermediate grades of steers which form the bulk of current marketings, total receipts of cattle are very light, reflecting the abundance of feed and the fact that cattle are in strong hands. Hog prices showed a further seasonal decline, the top price falling to a new five-year low of \$6.65 a hundredweight in the last week of April. This seasonal weakness has been accentuated by the low price of lard but has been offset in part by the small supplies of lower grades of beef and by weather conditions favorable to pork consumption. All classes of sheep and lambs advanced further to new two-year highs in April. In the first three weeks of May, cattle and hog prices were about steady to slightly lower while lamb prices, after reaching a new high of \$11.35 a hundredweight, declined sharply.

Top livestock prices at the Kansas City market:

	May 24 1939	Apr. 1939	Mar. 1939	Apr. 1938	Apr. 1937	Apr. 1936
	(In dollars per hundredweight)					
Beef steers.....	11.25	12.25	12.75	9.85	13.50	9.75
Stocker cattle.....	10.00	10.25	10.50	8.90	8.75	8.50
Feeder cattle.....	9.25	10.50	10.35	8.35	11.15	8.85
Calves.....	9.50	10.00	11.00	10.00	10.00	9.00
Hogs.....	6.55	7.05	8.10	8.60	10.20	10.55
Sheep.....	6.00	8.85	7.90	7.50	10.50	11.00
Fed lambs.....	8.50	10.00	9.65	8.85	12.75	12.35
Spring lambs.....	10.15	11.10	11.00	9.90	13.00	12.35

STOCKERS AND FEEDERS

April shipments of stocker and feeder livestock to the country continued in heavy volume except for hog shipments which were only about half of normal. The countryward movement of cattle was 6, calves 50, and sheep 21 per cent above average and shipments of all livestock were substantially larger than a year ago. For the year to date, the movement of cattle and hogs from markets back to the country has been the largest since 1935, of sheep since 1932, and of calves the largest of record.

April stocker-feeder shipments from four markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	7,561	2,437	108	35,004
Kansas City.....	41,084	7,687	2,361	8,981
Omaha.....	12,429	1,268	547	15,223
St. Joseph.....	3,733	973	1,212	14,340
Apr. 1939.....	64,807	12,365	4,228	73,548
Mar. 1939.....	70,654	14,884	4,448	53,378
Apr. 1938.....	50,549	6,888	3,343	30,046
4 Mos. 1939.....	278,766	57,845	16,569	216,789
4 Mos. 1938.....	230,022	32,035	15,080	147,155

RANGES AND PASTURES

Although range grass was making a fair start by May 1, growth has been retarded considerably by cool, dry weather and moisture is needed generally to maintain the present favorable condition and to relieve a stock water shortage in sections of Oklahoma and Wyoming. Trade reports indicate that the movement

of southwestern cattle to the Osage pastures of Oklahoma and the Blue Stem pastures of Kansas, owing in part to drought in southern Texas, has far exceeded early predictions and that from 15 to 20 per cent more cattle have been shipped in than at this time last year.

Range and pasture conditions reported by the Department of Agriculture:

	RANGES			PASTURES		
	May 1 1939	May 1 1938	'29-'38 Aver.	May 1 1939	May 1 1938	'28-'37 Aver.
	(In percentages of 100 as normal)					
Colo.....	85	79	79	83	70	71
Kans.....	75	59	70	69	62	68
Mo.....	---	---	---	80	84	73
Nebr.....	82	79	82	70	63	73
N. Mex.....	88	81	80	86	72	68
Okla.....	78	84	76	69	75	68
Wyo.....	81	85	80	81	87	79

Because of the generally mild winter and abundant feed supplies, cattle and sheep are in good condition and good calf and lamb crops are in prospect. The high price of cows and ewes continues to limit somewhat the tendency to restock. Shearing of the 1939 wool clip is in progress and indications in Wyoming point to lighter fleece weights than last year. While sales so far have been in small volume, reported prices in Wyoming range from 19 to 21 cents a pound as compared with initial prices of 17 to 18 cents a year ago.

Farm Income

Cash farm income for the District as a whole was about 5 per cent larger in March and in the first quarter of the year than it was last year, owing to a substantially increased volume of Government payments. Receipts from the sale of principal farm products have generally been somewhat less than last year. So far this year, income in Colorado shows an increase of 3, Wyoming 25, Nebraska 30, and Missouri 9 per cent. In addition to increased Government payments, the large increase for Wyoming reflects also increased income from meat animals and that for Nebraska large receipts from commodity credit loans on corn. Farm income is down 8 per cent in Kansas, where returns from wheat and dairy products have been much reduced, and is down 6 per cent in Oklahoma and 11 per cent in New Mexico, where income from cotton has been much lower.

Department of Agriculture farm income estimates:

	Mar. 1939	Mar. 1938	3 Mos. 1939	3 Mos. 1938
	(In thousands of dollars)			
Colorado.....	9,014	9,591	24,963	24,321
Kansas.....	17,796	17,854	51,959	56,570
Missouri.....	17,348	15,074	50,893	46,767
Nebraska.....	20,319	17,183	62,287	47,988
New Mexico.....	1,680	2,012	6,079	6,808
Oklahoma.....	11,116	12,535	28,179	29,942
Wyoming.....	2,962	2,194	7,323	5,838
Seven states.....	80,235	76,443	231,683	218,234
United States.....	582,000	572,000	1,687,000	1,679,000

Meat Packing

Operations at meat-packing plants in the District were exceptionally light in April as the result of small market supplies and the continued heavy country demand for stocker and feeder cattle, calves, and sheep. The April slaughter of cattle was 20, calves 29, hogs 40, and sheep 24 per cent under average. Hog slaughter, however, was 35 per cent larger than a year ago but cattle slaughter was little above the record low for April in 1938 and that of calves and sheep was the smallest for the month in fifteen years.

April packers' purchases at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	13,454	2,683	18,574	27,840
Kansas City.....	37,638	8,209	125,676	94,086
Oklahoma City.....	12,992	5,856	30,383	11,078
Omaha.....	54,786	3,344	81,907	85,832
St. Joseph.....	13,686	3,488	42,746	80,788
Wichita.....	8,684	2,783	29,266	14,884
Apr. 1939.....	141,240	26,363	328,552	314,508
Mar. 1939.....	151,393	32,655	336,616	351,370
Apr. 1938.....	140,877	35,581	243,618	344,890
4 Mos. 1939.....	600,045	121,276	1,400,676	1,306,130
4 Mos. 1938.....	673,149	155,686	1,274,711	1,286,278

Cold Storage Holdings

United States cold storage stocks of meats and lard remained about stationary during April while holdings of eggs increased and poultry declined at about the normal rate. Stocks of butter, however, declined contraseasonally and cheese decreased more than usual. May 1 holdings of beef were 46, pork 10, lamb 20, and lard 7 per cent below, and stocks of poultry 12 and cheese 9 per cent above, the average of the past five years. Total egg holdings approximated the average while butter stocks were more than seven times the average.

United States cold storage holdings:

	May 1 1939	Apr. 1 1939	May 1 1938	May 1 5-Yr. Av.
(In thousands of units)				
Beef, lbs.....	36,749	40,970	40,145	68,192
Pork, lbs.....	526,010	523,204	500,564	587,058
Lamb and mutton, lbs.....	2,055	2,412	2,121	2,558
Poultry, lbs.....	70,580	90,987	60,053	63,058
Miscellaneous meats, lbs.....	62,546	62,510	63,895	68,430
Lard, lbs.....	129,214	129,252	121,890	139,054
Eggs, shell, cases.....	3,347	1,105	3,204	3,838
Eggs, frozen (case equiv.)..	2,537	1,728	3,311	2,258
Butter, creamery, lbs.....	70,861	78,909	20,144	9,812
Cheese, all varieties, lbs.....	75,348	81,653	76,289	69,414

Flour Milling

Operations at southwestern flour mills continued at a relatively high rate through April as mills pressed for shipping directions on old contracts to take advantage of the high prices obtainable for by-product millfeeds. Flour production in April and in the first four months of the year was slightly above a year ago and about equal to the average of the past ten years. Operations, however, dropped sharply in the first

week of May when supplies of millfeeds for immediate shipment increased and prices declined. Volume of unfilled flour orders on mills' books is now so low that running time is largely dependent on new flour sales for prompt shipment. Four prices increased slightly toward the end of April with higher wheat prices.

Flour output reported by the Northwestern Miller:

	Apr. 1939	Change from Mar. 1939 Apr. 1938 (In barrels)	
Kansas City.....	570,000	-52,000	-60,000
Salina.....	217,000	-16,000	+53,000
Wichita.....	170,000	+5,000	+7,000
Other cities.....	1,009,000	-66,000	+19,000
Southwest.....	1,966,000	-129,000	+19,000
United States*.....	5,443,000	-449,000	+329,000

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

Petroleum

Preliminary estimates indicate a decrease of about 4 per cent in daily average crude oil production in the District during April, following three successive monthly increases during the first quarter of the year. April output, although very little below average, was about 5 per cent less than last year and production for the year to date shows a decline of 9 per cent.

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

	Apr. 1939		Mar. 1939		Apr. 1938	
	Gross	D. Av.	Gross	D. Av.	Gross	D. Av.
(In thousands of barrels)						
Colo.....	109	3.6	90	2.9	132	4.4
Kans.....	5,042	168.1	5,489	177.1	5,104	170.1
N. Mex.....	3,283	109.4	3,277	105.7	2,925	97.5
Okla.....	13,499	450.0	14,777	476.7	15,137	504.6
Wyo.....	1,685	56.2	1,675	54.0	1,468	48.9
5 States.....	23,618	787.3	25,308	816.4	24,766	825.5
U. S.....	105,172	3,505.7	106,768	3,444.1	102,702	3,423.4

Stocks of crude petroleum produced in this District, which are fully 20 per cent smaller than a year ago, have tended to increase slightly since late in February, reflecting in part the rather sharp increase in production that took place in March. Mid-continent crude oil and refinery gasoline prices are weak.

Zinc and Lead

Shipments of zinc and lead concentrates from the Tri-State district increased somewhat during April. The zinc shipment was about 8 per cent larger than a year ago but that of lead was 26 per cent smaller.

April ore shipments from the Tri-State district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Kansas.....	10,499	\$ 314,980	1,071	\$ 57,378
Missouri.....	2,222	66,655	217	11,756
Oklahoma.....	19,471	584,130	2,556	137,898
Apr. 1939.....	32,192	\$ 965,765	3,844	\$ 207,032
Mar. 1939.....	31,569	921,202	3,425	184,281
Apr. 1938.....	29,953	778,545	5,191	249,275
4 Mos. 1939.....	126,847	3,716,471	23,669	1,276,477
4 Mos. 1938.....	129,373	3,573,410	20,281	1,006,178

Zinc prices, which late in March had advanced for the first time since last November, were strong throughout April but lead prices are weak.

Employment and Pay Rolls

Employment in the District increased slightly but pay rolls declined from the middle of March to the middle of April. Employment is little changed from a year ago while pay rolls are 3 per cent higher.

Preliminary figures of the Department of Labor:

	April 1939	
	per cent change from March 1939	
	Employment	Pay Rolls
Colorado.....	-0.2	-2.9
Kansas.....	+2.5	+1.2
Missouri.....	+0.1	-0.7
Nebraska.....	+0.7	-0.5
New Mexico.....	+1.0	-8.1
Oklahoma.....	+1.2	+0.8
Wyoming.....	+0.4	-9.4
Seven states.....	+0.6	-0.9

Building

Value of construction contracts awarded in the eastern half of the District increased sharply during April and was 44 per cent greater than in April a year ago. Total awards for the first four months of the year show an increase of 35 per cent over last year. Residential building accounts for about two-thirds of these increases. In the first half of May, however, awards dropped considerably under a year ago.

Construction figures of F. W. Dodge Corporation:

	TENTH DISTRICT		37 EASTERN STATES	
	Residential	Total	Residential	Total
	(In thousands of dollars)			
Apr. 1939.....	6,132	14,735	114,405	330,030
Mar. 1939.....	3,742	9,460	125,225	300,661
Apr. 1938.....	2,782	10,205	74,577	222,016
4 Mos. 1939.....	16,139	45,343	398,813	1,102,561
4 Mos. 1938.....	8,776	33,635	230,203	760,110

The following table gives F. W. Dodge figures for the Kansas City area (Nebraska, Kansas, Oklahoma, and western Missouri) broken down by types of construction. In April, awards for residential building were more than twice what they were a year ago and nonresidential building was up 71 and utility construction 27 per cent, while awards for public works construction were little changed. For the year to date, residential building shows an increase of 72, nonresidential 35, and utility construction 64 per cent, while public works construction is 13 per cent less.

F. W. Dodge figures for the Kansas City area:

	Apr. 1939	Apr. 1938	4 Mos. 1939	4 Mos. 1938
	(In thousands of dollars)			
Residential building.....	5,978	2,618	14,904	8,664
Nonresidential building.....	3,951	2,312	14,906	11,055
Public Works construction.....	2,934	2,943	7,336	8,425
Utility construction.....	2,230	1,761	7,293	4,447
Total.....	15,093	9,634	44,439	32,591

The value of April building permits in reporting District cities was 38 and that for the first four months of 1939 was 31 per cent greater than last year. Value of permits, however, is still more than 10 per cent under the 1937 level.

April building permits issued in District cities:

	PERMITS		ESTIMATED COST	
	1939	1938	1939	1938
Albuquerque, N. Mex.....	95	91	\$ 154,000	\$ 129,000
Cheyenne, Wyo.....	71	94	121,000	198,000
Colorado Springs, Colo.....	63	78	45,000	89,000
Denver, Colo.....	598	506	1,247,000	565,000
Hutchinson, Kans.....	73	72	130,000	45,000
Joplin, Mo.....	11	17	43,000	19,000
Kansas City, Kans.....	33	33	79,000	27,000
Kansas City, Mo.....	216	174	303,000	159,000
Lincoln, Nebr.....	236	220	161,000	94,000
Oklahoma City, Okla.....	173	189	403,000	661,000
Omaha, Nebr.....	183	156	222,000	151,000
Pueblo, Colo.....	96	75	78,000	46,000
Salina, Kans.....	25	13	51,000	54,000
Shawnee, Okla.....	21	11	15,000	8,000
St. Joseph, Mo.....	23	27	138,000	28,000
Topeka, Kans.....	75	91	131,000	124,000
Tulsa, Okla.....	191	110	495,000	307,000
Wichita, Kans.....	280	295	258,000	252,000
April.....	2,463	2,252	\$ 4,074,000	\$ 2,956,000
March.....	2,283	2,226	4,141,000	3,056,000
Four months.....	7,314	6,714	13,778,000	10,515,000

Lumber

Board feet sales of lumber at reporting retail yards in the District showed a further seasonal expansion during April. Sales both for April and for the first four months of the year were 11 per cent larger than in the same periods last year.

Stocks of lumber, which are about 8 per cent smaller than a year ago, showed little change during April. Collections on amounts outstanding averaged 29.7 per cent in April as compared with 31.1 per cent in March and 32.6 per cent in April a year ago.

Lumber trade at 150 retail yards in the District:

	April 1939	
	per cent change from Mar. 1939	Apr. 1938
Sales of lumber, board feet.....	+5.5	+11.1
Sales of all materials, dollars.....	+6.7	-0.2
Stocks of lumber, board feet.....	+0.5	-7.5
Outstandings, dollars.....	+6.8	+11.7

Life Insurance

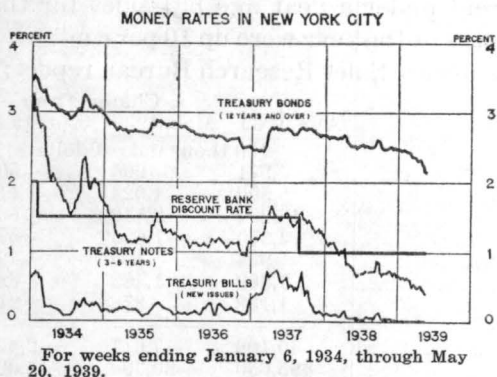
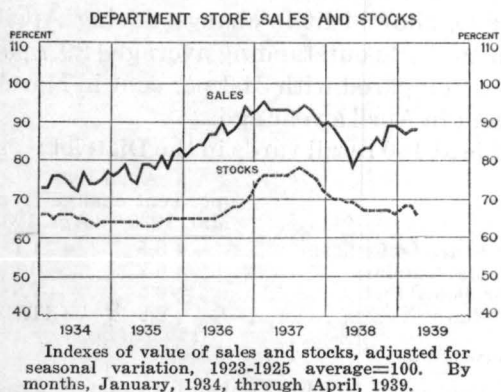
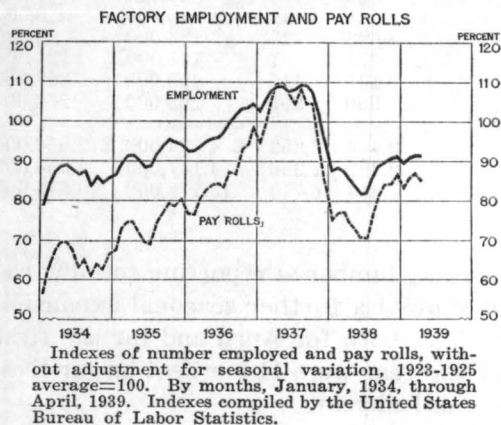
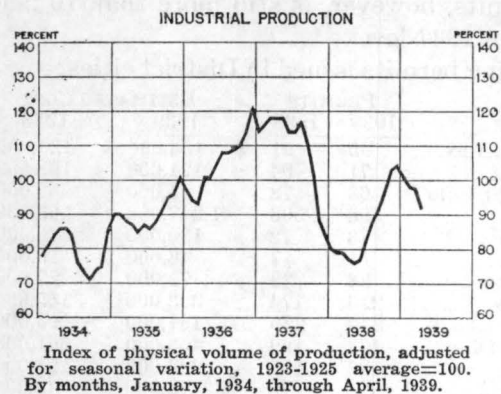
Life insurance sales in the District in April were about 6 per cent under a year ago but sales for the first four months of the year were up 10 per cent.

The Life Insurance Sales Research Bureau report:

	Change from		
	Apr. 1939	Mar. 1939	Apr. 1938
	(In thousands of dollars)		
Colorado.....	4,571	-900	-604
Kansas.....	5,500	-1,024	-1,116
Missouri.....	16,204	-2,118	+503
Nebraska.....	4,370	-1,654	-670
New Mexico.....	954	-160	-99
Oklahoma.....	7,369	-1,483	-685
Wyoming.....	1,138	-278	+213
Seven states.....	40,106	-7,617	-2,458
United States.....	495,650	-80,390	-4,006

NATIONAL SUMMARY OF BUSINESS CONDITIONS

By the Board of Governors of the Federal Reserve System



Volume of industrial production declined sharply in April reflecting chiefly shutdowns at bituminous coal mines and reduction in activity at textile mills. Retail purchases by consumers were maintained.

PRODUCTION

In April the Board's seasonally adjusted index of output at factories and mines was at 92 per cent of the 1923-1925 average, compared with 98 in March and 77 a year ago.

In the steel industry production declined in April and the first three weeks of May but in the fourth week ingot output increased to 48½ per cent of capacity, about the rate prevailing a month earlier. Around the middle of May substantial concessions were made in prices of some types of steel and it is reported that a considerable volume of orders for steel was placed during this period.

Automobile production in April was at about the same rate as in March, although there usually is some increase, and in May output declined owing in part to the fact that stocks of new cars were larger than is usual at this time of the year. Plate glass production decreased sharply in April following smaller declines earlier in the year.

Textile production declined sharply in April, particularly at woolen mills, where output had been at a high level, and in the silk goods industry, where further curtailment reflected in part recent high prices for raw silk. Output of shoes showed a decrease from the high level maintained during the first quarter of this year. At flour mills and sugar refineries activity increased further, while in most other nondurable goods' lines changes in output were largely seasonal in character.

Bituminous coal production was in small volume during April and the first half of May as most mines were closed pending settlement of contract negotiations between mine operators and workers. After the middle of May agreements were reached at most mines and output began to increase rapidly. Production of anthracite, which had been reduced in March, increased sharply in April and crude petroleum production rose further. In the first half of May anthracite production was maintained but petroleum output declined somewhat.

Value of construction contracts awarded, according to the F. W. Dodge Corporation, was larger in April than in March, owing chiefly to a rise in awards for public projects. Contracts for private construction showed little change in the aggregate as private residential contracts declined, contrary to seasonal tendency, while contracts for commercial, factory, and other private construction increased. In the first half of May awards for private work increased somewhat while the volume of public contracts declined.

EMPLOYMENT

Employment in nonagricultural pursuits declined somewhat from the middle of March to the middle of April reflecting a sharp drop at bituminous coal mines offset in part by seasonal increases in construction and trade. At factories the number employed showed little change while pay rolls declined considerably because of fewer hours of work.

DISTRIBUTION

In April distribution of commodities to consumers showed about the usual seasonal increase. The Board's adjusted index of department store sales remained at 88 per cent of the 1923-1925 average, about the level that has prevailed since last autumn.

Railroad freight carloadings declined sharply owing mainly to a reduction in shipments of coal. Loading of miscellaneous freight showed less than the usual seasonal rise.

COMMODITY PRICES

Prices of grains and cotton advanced from the middle of April to the third week of May and there were also increases in prices of silk, hides, and bituminous coal. Prices of copper and steel scrap, on the other hand, were reduced and substantial concessions were granted in prices of several leading steel products.

BANK CREDIT

Total loans and investments at reporting member banks in 101 leading cities, which had increased in April, declined during the first half of May. The decline was at New York City banks and reflected a reduction in loans to security brokers and dealers and redemption of obligations of New York state and city governments. After increasing substantially in April, demand deposits at banks in leading cities showed little change in the first half of May. Bank reserves increased further in May to a new high level.

MONEY RATES

Prices of United States Government bonds and notes increased sharply during the last half of April and the first three weeks of May to new high levels. The average yield on long-term Treasury bonds declined from 2.34 per cent on April 11 to 2.13 per cent on May 22. Other money rates showed little change.