

# MONTHLY REVIEW

## *Agricultural and Business Conditions*

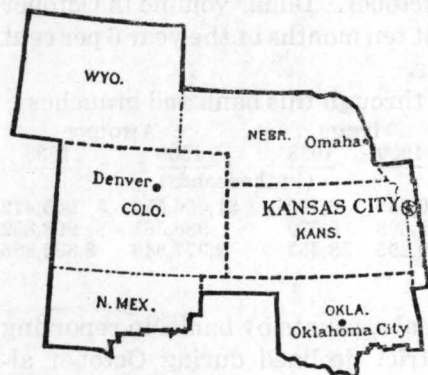
### TENTH FEDERAL RESERVE DISTRICT

VOL. 24, No. 11

FEDERAL RESERVE BANK OF KANSAS CITY

NOVEMBER 30, 1939

#### *Business in the Tenth Federal Reserve District*



Light rains near the middle of November brought some relief in parts of the District, but Nebraska, Wyoming, and the western half of Kansas remain dry. This moisture improved somewhat the condition of winter wheat but the outlook is still the most unfavorable in years.

The amount of wheat and corn coming to market is scarcely half what it was last year, but cattle, calves, and hogs are being marketed and slaughtered in much larger numbers.

Wholesale trade has declined following a sharp increase in September but still is nearly 4% above a year ago. Retail trade is little changed. Lumber sales, reflecting less active construction, are down nearly 10%. Life insurance sales are nearly 7% above last year. Production of coal and lead and zinc is much higher.

Bank deposits, loans, and check transactions are appreciably above a year ago but investments are lower.

OCTOBER 1939 COMPARED WITH OCTOBER 1938					BUSINESS INDICATORS	10 MOS. 1939 COMPARED WITH 10 MOS. 1938				
% DECREASE		% INCREASE				% DECREASE		% INCREASE		
40	30	20	10	10		20	30	40		
					<b>Financial</b>					
					Bank Debits					
					F. R. Bk. Clearings					
					Mem. Bk. Loans					
					Mem. Bk. Invest.					
					Demand Deposits					
					Life Ins. Sales					
					<b>Trade</b>					
					Wholesale Sales					
					Retail Sales					
					Dept. Store Sales					
					Lumber Sales					
					<b>Marketings</b>					
					Wheat					
					Corn					
					Oats					
					Cattle					
					Calves					
					Hogs					
					Sheep					
					<b>Production</b>					
					Flour					
					Cattle Slaughter					
					Calf Slaughter					
					Hog Slaughter					
					Sheep Slaughter					
					Crude Petroleum					
					Bituminous Coal					
					Zinc Ore Shipments					
					Lead Ore Shipments					
					<b>Construction</b>					
					Total Awards					
					Res. Awards					
					Value of Permits					
					<b>Miscellaneous</b>					
					Rainfall					
					Cash Farm Income*					
					Employment					
					Pay Rolls					

\*For previous month

**Member Bank Operations**

Loans at reporting member banks in the Tenth District continued to rise between the middle of October and the middle of November and are now back to where they were at this time in 1937 when the volume of loans had been the largest since the early part of 1932. Nearly all types of loans increased during the four weeks. Investments increased sharply further from the low point of the year at the first of October, reflecting principally the purchase of Treasury bills, Government bonds, and obligations guaranteed by the Government. Holdings of Treasury notes declined slightly while holdings of other securities showed a small increase. Loans are now 15 per cent larger than a year ago but investments are down 3 per cent.

Adjusted demand deposits at reporting member banks, their reserve balances at this bank, and their correspondent balances at other banks, which had been at record levels about the middle of October, declined somewhat during the following four weeks while deposits of other banks at these reporting banks rose to a new high. Adjusted demand deposits are 8 and deposits due to banks 17 per cent larger than a year ago while reserves are 19 and correspondent balances 18 per cent greater.

Principal items of condition of 51 member banks:

	Change from		
	Nov. 15 1939	Oct. 18 1939	Nov. 16 1938
	(In thousands of dollars)		
Loans and investments—total.....	678,786	+23,240	+25,846
Loans—total.....	290,434	+7,144	+38,159
Coml., indust., agric.....	178,350	+4,668	+25,723
Open market paper.....	16,840	+178	-958
To security brokers and dealers.....	3,108	-68	-1,049
Other to purchase or carry secur.....	9,754	+222	-2,093
Real estate loans.....	26,005	+440	+3,392
Loans to banks.....	966	+431	+193
All other loans.....	55,408	+1,273	+12,951
Investments—total.....	388,352	+16,096	-12,313
U. S. Treasury bills.....	15,007	+5,099	*
U. S. Treasury notes.....	83,313	-835	*
U. S. Govt. bonds.....	100,574	+6,085	*
Oblig. guar. by U. S. Govt.....	57,322	+5,112	+6,830
Other securities.....	132,136	+635	+4,078
Reserve with F. R. Bank.....	188,684	-10,173	+29,799
Balances with domestic banks.....	340,007	-16,598	+50,930
Demand deposits—adjusted.....	530,507	-8,480	+38,286
Time deposits.....	145,232	+675	+1,727
U. S. Govt. deposits.....	22,947	-103	+2,452
Interbank deposits.....	441,071	+3,307	+62,408

\*Comparable figures not available.

**Reserve Bank Operations**

Note circulation of this bank continues to increase, reaching a new high level above 181 million dollars in the first week of November and averaging about 180½ million in the first half of the month as compared with 178¼ million in October and 176 million in September. Circulation is about 11½ million above last year.

Volume of discounts has risen somewhat in recent weeks, reflecting in part seasonal borrowing by banks in connection with crop payments in sugar beet areas.

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

	Nov. 15 1939	Change from	
		Oct. 18 1939	Nov. 16 1938
	(In thousands of dollars)		
Total reserves.....	360,121	-4,817	+35,275
Bills discounted.....	1,537	+830	+486
Member bank deposits.....	Zero	-16	-16
Industrial advances.....	185	-16	-208
Commit. to make indust. adv.....	567	-9	-9
U. S. Govt. sec., direct & guar.....	117,413	-3,123	+4,164
Total assets.....	526,816	-1,632	+40,887
F. R. notes in circulation.....	180,396	+2,177	+11,628
Member bank reserve deposits.....	263,334	-12,779	+33,262

Dollar volume of check collections increased further as is usual during October. Dollar volume in October was 9 and in the first ten months of the year 6 per cent larger than last year.

Check collections through this bank and branches:

	ITEMS		AMOUNT	
	1939	1938	1939	1938
	(In thousands)			
October.....	6,083	6,170	\$1,056,556	\$ 965,412
September.....	5,698	5,679	980,561	908,852
Ten months.....	59,296	58,453	9,377,646	8,892,875

**Bank Debits**

Debits to individual accounts by banks in reporting centers of the District declined during October although an increase is usual in that month. However, debits had shown a large contraseasonal increase in the preceding month. Volume of payments by check for October was 4 and for the first ten months of the year 2 per cent larger than a year ago.

Payments by check in thirty District cities:

	Change from		
	Oct. 1939	Sept. 1939	Oct. 1938
	(In thousands of dollars)		
Albuquerque, N. Mex.....	16,948	+725	+1,539
Atchison, Kans.....	3,022	-186	+9
Bartlesville, Okla.....	30,522	-277	+179
Casper, Wyo.....	7,778	+1,554	-341
Cheyenne, Wyo.....	9,425	+849	-68
Colorado Springs, Colo.....	15,796	-1,216	+1,293
Denver, Colo.....	172,697	+336	+897
Emporia, Kans.....	3,787	+576	+271
Enid, Okla.....	9,808	-1,479	-635
Fremont, Nebr.....	2,556	-147	+174
Grand Junction, Colo.....	4,283	-21	+347
Guthrie, Okla.....	1,592	+141	-222
Hutchinson, Kans.....	10,623	-1,530	+335
Independence, Kans.....	2,522	+102	+8
Joplin, Mo.....	11,498	+935	+1,906
Kansas City, Kans.....	16,560	+1,111	+1,842
Kansas City, Mo.....	324,227	-25,131	+30,309
Lawrence, Kans.....	3,968	+509	+243
Lincoln, Nebr.....	30,769	+827	+1,788
Muskogee, Okla.....	9,805	+952	+498
Oklahoma City, Okla.....	101,593	+4,012	+2,535
Okmulgee, Okla.....	2,579	-1	-186
Omaha, Nebr.....	149,527	-10,542	+4,462
Pittsburg, Kans.....	3,845	+315	+123
Pueblo, Colo.....	17,718	-2,542	-2,759
Salina, Kans.....	9,157	+180	+1,135
St. Joseph, Mo.....	29,219	-237	+2,120
Topeka, Kans.....	15,612	-712	-2,603
Tulsa, Okla.....	128,791	+13,604	-108
Wichita, Kans.....	44,898	+400	-24
District, 30 cities.....	1,191,125	-16,893	+45,067
United States, 141 cities.....	32,711,305	-952,860	-524,009



**Trade**

**RETAIL SALES**

Department store sales in the District declined contraseasonally during October and fell slightly under a year ago. Sales were above last year in the first half of the month but were curtailed by warm weather toward the close. The month had the same number of business days but one less Saturday this year than last. In the first three weeks of November, sales were only 2 per cent larger than last year. Retail prices, according to the Fairchild Index, are gradually rising and currently are 3 per cent higher than a year ago.

Stocks of merchandise increased considerably more than is usual during October and are now slightly above a year ago. Collections on open accounts averaged 44.1 per cent in October as compared with 47.3 per cent last year, while installment collections averaged 17.2 and 15.8 per cent, respectively.

Department store sales and stocks in leading cities:

No. of Stores	SALES		STOCKS		
	Oct. '39	10 Mos.'39	Oct. 31, '39	comp. to	
	comp.to Oct.'38	comp. to 10 Mos.'38	Sept.30,'39	Oct.31,'38	
	(Per cent increase or decrease)				
Denver.....	4	-1.2	+2.5	+4.2	-3.9
Kansas City.....	5	+3.4	+2.6	+12.7	+1.1
Oklahoma City.....	3	-4.3	+2.9	+11.7	+9.5
Omaha.....	3	-4.0	-0.6	+11.1	-0.1
Tulsa.....	4	-2.0	-0.5	+8.7	+8.6
Wichita.....	3	+2.0	+0.3	....	....
Other cities.....	18	+0.3	-0.1	+6.0	+0.8
District.....	40	-0.5	+1.4	+8.5	+0.6

Total retail sales in the District in October and in the first ten months of the year were about 4 per cent larger than in the corresponding periods last year.

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

	Oct. 1939 per cent change from Oct. 1938						
	Colo.	Kans.	Mo.	Nebr.	N.Mex.	Okla.	Wyo.
Apparel.....	-4.9	+0.6	+3.6	+2.7	-8.5	-1.3	-9.1
Automobile.....	+33.5	+13.4	+67.6	+12.1	-12.0	+11.2	+16.1
Country genl.....	-9.0	-4.7	-0.9	-2.6	+0.3	-15.9	+9.5
Department.....	+2.4	-0.6	+6.7	-5.4	-20.4	-5.7	....
Drug.....	-1.1	-5.6	+0.9	+0.2	-0.2	-4.8	-3.1
Furniture.....	+14.4	+2.2	+7.4	-0.9	-4.9	-4.8	-6.2
Grocery.....	-4.7	-9.4	-5.4	-4.9	-1.9	-7.0	-1.9
Hardware.....	-1.8	+4.3	+9.7	+3.5	....	+6.1	....
Lbr. & mtl.....	+12.3	+0.6	+1.8	+9.1	+8.4	....	+0.3
Total.....	+4.8	-0.4	+7.5	-0.9	-1.8	-2.4	+2.5

**WHOLESALE SALES**

The value of wholesale sales in this District, which in September had been 15 per cent above a year ago, in October was less than 4 per cent above last year, reflecting principally a sharp decline in grocery sales from the high level of the preceding month. Total sales so far in 1939 are little changed from 1938. Wholesale inventories rose 6 per cent during October to a level 4 per cent above that at the close of October a year ago. Collections in October averaged 71.3 per cent of receivables against 79.9 per cent last year.

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

No. of Firms	SALES		STOCKS		
	Oct. '39	10 Mos.'39	Oct. 31, '39	comp. to	
	comp.to Oct.'38	comp. to 10 Mos.'38	Sept.30,'39	Oct.31,'38	
	(Per cent increase or decrease)				
Auto. supplies.....	7	-12.8	-1.5	+3.9	-5.8
Drugs.....	11	+1.8	+0.3	+1.7	-0.1
Dry goods.....	7	+12.2	+0.5	-5.3	-10.3
Electrical goods.....	10	+27.2	+16.1	+5.0	+4.0
Farm products.....	11	+26.4	....	+18.6	+2.0
Furniture.....	5	+13.9	+11.5	+10.3	+16.8
Groceries.....	38	-3.4	-1.6	+14.1	+11.6
Hdwe.—total.....	(15)	+12.9	+5.7	+2.3	+1.3
General.....	4	-4.5	+2.0	+2.2	-1.5
Industrial.....	5	+45.5	+11.5	+2.5	+10.1
Plbg. & htg.....	6	+27.6	+11.3	....	....
Jwelry & opt.gds.....	3	+45.5	....	+2.7	+3.6
Machinery.....	5	+28.5	....	+1.4	-5.4
Paper & prod.....	3	+22.9	....	....	....
Tobacco & prod.....	7	-4.1	-3.0	....	....
All other lines.....	18	+9.7	+4.5	+1.9	+3.4
Total.....	140	+3.7	+0.7	+6.3	+4.0

**Crops**

The unprecedented fall drought was partially relieved in some sections of the District by rains that fell in the second and third weeks of November. Persistent dryness not only had delayed planting but had prevented germination of wheat sown in dry soil and had resulted in very poor stands of wheat that had sprouted. At the first of October, topsoil moisture in Oklahoma, Kansas, and Nebraska was less than a sixth and subsoil moisture less than a third of normal. By the first of November, topsoil moisture conditions had improved somewhat but the amount of moisture in the subsoil had dropped to about a fifth of normal. Soil moisture tests in Kansas at that time showed the topsoil dry to an average depth of 4.4 inches as compared with 3.3 inches a year ago. The average depth of soil moisture at seeding time was only 22.5 inches as compared with 28.1 inches last year.

November rains fell slowly and were very beneficial in Missouri, in southeastern Nebraska, and in the eastern parts of Kansas and Oklahoma, but elsewhere in the District the situation remains critical. Where moisture has been received wheat is showing green and the outlook is generally better. Because of the lateness of the season, however, and the fact that plants have made little growth and stands are unusually thin and spotted, wheat is in rather poor condition to survive a dry or cold winter.

Private estimates place the acreage of winter wheat seeded this fall in Kansas from 10 to 17 per cent below the acreage planted a year ago. In Nebraska there has been a reduction of about 20 per cent, while the acreage estimates for Oklahoma range from 5 per cent below to 5 per cent above last year. The estimate for Colorado shows a decrease of 20 to 30 per cent, Wyo-

ming about 5, and Missouri 10 while that for New Mexico is little changed from last year.

October rainfall in Wyoming was 73, New Mexico 77, and in Missouri 66 per cent of normal but in Oklahoma it was only 53, Colorado 50, Nebraska 42, and in Kansas 30 per cent of normal. For the two months, September and October, Oklahoma had only 32, Nebraska 30, and Kansas 19 per cent of normal rainfall.

### Rainfall

	Oct. 1939		10 Mos. 1939	
	Total	Normal	Total	Normal
	(In inches)			
<b>COLORADO</b>				
Denver.....	.89	1.05	7.31	12.77
Leadville.....	.34	1.26	11.89	16.62
Pueblo.....	.02	.66	7.94	10.81
Lamar.....	Zero	1.03	8.34	14.66
Garnett.....	.01	.54	4.37	6.40
Steamboat Springs.....	1.31	1.97	17.32	19.67
<b>KANSAS</b>				
Topeka.....	.83	2.42	20.17	31.05
Iola.....	.62	3.16	23.21	34.56
Concordia.....	.60	1.97	18.87	24.93
Salina.....	.69	2.00	16.53	25.07
Wichita.....	1.41	2.59	27.15	27.72
Hays.....	.18	1.55	15.04	22.06
Goodland.....	Trace	1.37	15.71	17.42
Dodge City.....	.28	1.30	11.33	19.21
Elkhart.....	Trace	1.66	7.86	16.13
<b>MISSOURI</b>				
St. Joseph.....	.95	2.89	23.22	32.69
Kansas City.....	.95	2.92	31.59	33.95
Joplin.....	2.00	3.45	34.52	39.06
<b>NEBRASKA</b>				
Omaha.....	1.09	2.17	18.23	25.77
Lincoln.....	.93	1.88	18.27	25.91
Norfolk.....	.25	1.73	15.96	26.31
Grand Island.....	.10	2.12	16.16	25.23
McCook.....	.02	1.20	13.75	18.35
North Platte.....	.56	1.07	11.29	17.35
Bridgeport.....	.54	1.09	12.61	15.28
Valentine.....	1.88	1.10	17.81	17.73
<b>NEW MEXICO</b>				
Clayton.....	.02	1.26	9.87	15.51
Santa Fe.....	1.20	1.18	12.14	12.85
Farmington.....	.34	.81	6.88	8.15
<b>OKLAHOMA</b>				
Tulsa.....	1.88	3.68	24.79	34.35
McAlester.....	3.47	4.27	29.75	37.82
Oklahoma City.....	2.39	2.86	25.73	27.78
Pauls Valley.....	2.68	3.47	23.58	30.78
Hobart.....	2.09	3.04	19.85	25.31
Enid.....	.44	2.92	22.88	27.86
Woodward.....	.05	2.22	18.74	23.33
<b>WYOMING</b>				
Cheyenne.....	.37	.96	9.51	13.92
Casper.....	1.70	1.41	8.53	13.46
Lander.....	.31	1.36	7.88	11.35
Sheridan.....	.47	1.07	16.16	13.79

### Grain Marketing

Wheat marketings continued to decline during October, falling 55 per cent below receipts in the same month a year ago and 45 per cent short of the October average of the past ten years. Holding by producers because of the unfavorable outlook for next year's crop, the unprecedented amount of wheat stored under Government loans, and an increasing amount of wheat being used to pay crop insurance premiums largely account for these small receipts. Corn marketings increased further and, although about 40 per cent

smaller than the rather heavy receipts in October a year ago, were 21 per cent above average.

October grain receipts at five District markets:

	Wheat	Corn	Oats
	(In bushels)		
Hutchinson.....	757,000	----	----
Kansas City.....	2,464,000	1,087,000	158,000
Omaha.....	599,000	2,418,000	338,000
St. Joseph.....	347,000	575,000	396,000
Wichita.....	1,035,000	9,000	5,000
Oct. 1939.....	5,202,000	4,089,000	897,000
Sept. 1939.....	6,241,000	2,793,000	1,157,000
Oct. 1938.....	11,432,000	6,884,000	1,070,000
10 Mos. 1939.....	152,495,000	18,956,000	9,290,000
10 Mos. 1938.....	162,271,000	24,449,000	9,967,000

Cash wheat prices, which had receded slightly from the high point of the early September upturn, recovered most of this small decline in October and the first half of November, influenced by the poor condition of fall planted wheat as well as by meager receipts. Corn prices, which had lost virtually all of their early September gain, have also strengthened.

The lower range of cash prices at Kansas City:

	Nov. 24 1939	Oct. 31 1939	Sept. 30 1939	Oct. 31 1938
No. 1 hd., dk. wheat, bu..	\$ .85½	\$ .84¾	\$ .83¼	\$ .64¾
No. 2 mixed corn, bu.....	.52½	.50¼	.48¾	.40½
No. 2 white oats, bu.....	.38¾	.37¼	.32½	.24
No. 2 rye, bu.....	.53	.56	.53	.41½
No. 2 barley, bu.....	.48	.49	.49	.37
No. 2 white kafir, cwt....	1.05	1.05	.95	.63

### Livestock

#### MARKETINGS

Marketings of cattle, calves, and hogs increased further during October. Part of this increase was due to usual seasonal influences but a combination of relatively strong prices and some forced liquidation because of a shortage of stock water and a lack of grass and grain pasturage was also a factor in cattle marketings. Receipts of sheep declined somewhat, the movement of lambs from western range areas apparently having reached its seasonal peak in the preceding month. Cattle receipts were 3 and calves 19 per cent above the October ten-year average but hog receipts were 17 and sheep 18 per cent below average.

October livestock receipts at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	100,177	22,157	30,022	523,159
Kansas City.....	220,173	62,898	179,902	147,745
Oklahoma City.....	51,825	24,368	51,127	18,007
Omaha.....	135,619	30,475	112,935	140,876
St. Joseph.....	38,502	7,005	71,965	93,669
Wichita.....	41,734	13,665	41,257	27,670
Oct. 1939.....	588,030	160,568	487,208	951,126
Sept. 1939.....	488,599	103,151	414,136	1,020,387
Oct. 1938.....	519,775	139,936	369,020	993,016
10 Mos. 1939.....	3,426,939	709,810	4,188,542	6,510,882
10 Mos. 1938.....	3,400,832	684,192	3,235,902	6,857,277

#### PRICES

Beef cattle prices have held better than half and lamb prices about a third of the spectacular advance



that took place early in September but hog prices have lost all of their upturn, the top price falling back by the third week of November to \$5.65 a hundredweight as compared with the five-year low of \$5.55 at the middle of August. This season normally is one of price declines for hogs and lambs, but this year lamb prices are supported in part by wool prices. Cattle prices, except for the heavier weights of beef steers, are generally strong.

Top livestock prices at the Kansas City market:

	Nov. 24 1939	Oct. 1939	Sept. 1939	Oct. 1938	Oct. 1937	Oct. 1936
	(In dollars per hundredweight)					
Beef steers.....	11.25	11.25	11.85	12.50	16.00	10.40
Stocker cattle.....	10.00	10.35	10.50	9.25	9.25	7.60
Feeder cattle.....	9.25	9.25	10.35	9.25	10.75	8.25
Calves.....	10.00	10.00	11.00	10.50	10.00	9.00
Hogs.....	5.65	7.20	8.75	8.60	11.45	10.20
Sheep.....	7.10	8.00	7.00	7.00	8.25	7.50
Lambs.....	9.10	9.65	10.50	8.65	10.75	9.20

STOCKERS AND FEEDERS

Countryward shipments of stocker and feeder livestock increased substantially further in October with market supplies of cattle and calves at the season's high level and shipments of sheep increasing despite smaller marketings. Demand for stocker and feeder livestock has been heavy from eastern Corn Belt states where feed and water conditions are much more favorable than in this District. The movement of cattle was 13, calves 71, and hogs 22 per cent larger than a year ago but that of sheep was 10 per cent smaller. Shipments of cattle were 12 and calves 83 per cent above the October ten-year average while hogs were 37 and sheep 18 per cent below average.

October stocker-feeder shipments:

	Cattle	Calves	Hogs	Sheep
Denver.....	53,156	12,860	34	339,313
Kansas City.....	132,349	39,604	3,098	26,442
Omaha.....	60,970	16,148	986	49,325
St. Joseph.....	11,326	3,890	792	31,460
Oct. 1939.....	257,801	72,502	4,910	446,540
Sept. 1939.....	194,869	38,695	4,950	350,245
Oct. 1938.....	227,645	42,531	4,030	496,211
10 Mos. 1939.....	1,017,068	230,679	43,803	1,423,744
10 Mos. 1938.....	927,031	125,755	37,337	1,284,552

Developments to early November indicated that cattle feeding operations during the winter and spring of 1939-40 would be larger than seemed probable a month earlier. The increase in Corn Belt states is now expected to be larger than previously indicated and the decrease in western states somewhat smaller. The number of cattle shipped into eastern Corn Belt states during the four months, July through October, was the largest of record despite prices which, according to the Department of Agriculture, have been exceeded in only three or four years during the last twenty.

Early in November, lamb feeding operations also were expected to be larger during the 1939-40 feeding season, an increase in Corn Belt states more than off-

setting a prospective decrease in western states. The number of lambs to be fed is indicated as little changed in Missouri and Wyoming but larger in New Mexico and Nebraska, and operations in the Scottsbluff area of Nebraska and Wyoming are now expected to be at least as large this year as last. The number fed in Colorado will probably be from 15 to 25 per cent smaller than last year and the smallest for any season since 1926-27. A decrease appears likely in Kansas also. Little wheat pasture is available in Nebraska, Kansas, and Oklahoma.

RANGES AND PASTURES

The mild weather this fall has been unusually favorable for cattle and sheep, and livestock is generally going into the winter in fair condition. Prolonged drought and the rather poor condition of ranges, however, particularly in southeastern Wyoming, eastern Colorado, and in the western parts of Kansas and Oklahoma, necessitated much supplemental feeding and resulted in a considerable movement of livestock from the range to market as stockmen culled their herds and flocks closely.

Farm Income

Reflecting in part the spectacular rise in farm commodity prices following the outbreak of war in Europe, September cash farm income in the District was 22 per cent above last year. Receipts from crops were 11 and from livestock 18 per cent larger, while Government benefit payments, which were nearly four times what they were a year ago, accounted for about a third of the September increase.

Department of Agriculture farm income estimates:

	Sept. 1939	Sept. 1938	9 Mos. 1939	9 Mos. 1938
	(In thousands of dollars)			
Colorado.....	14,191	11,882	78,389	75,231
Kansas.....	26,811	21,836	200,789	195,164
Missouri.....	24,689	22,542	175,534	175,392
Nebraska.....	21,591	14,983	170,150	146,828
New Mexico.....	6,380	4,074	24,775	20,903
Oklahoma.....	18,069	16,398	122,849	122,752
Wyoming.....	7,903	6,282	30,305	25,223
Seven states.....	119,634	97,997	802,791	761,493
United States.....	847,000	745,000	5,441,000	5,357,000

Total District income for the year to date is up about 5 per cent, principally because of larger Government payments as returns from livestock are only 3 per cent above and from crops 3 per cent below last year. By states, Wyoming shows an increase of 20, New Mexico 19, and Nebraska 16 per cent but income in Colorado is up only 4 and in Kansas 3 per cent and in Oklahoma and Missouri it is unchanged from a year ago. Increased returns from meat animals, chickens, eggs, and wool are mainly responsible for the large gains in Wyoming and New Mexico and a substantial volume of corn loans for the gain in Nebraska.

**Meat Packing**

Operations at meat-packing plants in the District expanded considerably during October although a heavy demand for stocker and feeder livestock continues to restrict somewhat the proportion of market receipts going to immediate slaughter. Packers' purchases of cattle, calves, and sheep were about 10 per cent heavier than in October a year ago and purchases of hogs remain much above last year. The slaughter of cattle was 9, calves 16, hogs 5, and sheep 17 per cent below the October ten-year average.

October packers' purchases at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	18,050	3,263	24,846	36,947
Kansas City.....	65,167	14,080	167,668	97,819
Oklahoma City.....	24,065	15,448	34,462	10,537
Omaha.....	63,053	14,202	101,822	82,010
St. Joseph.....	24,318	3,184	66,338	61,742
Wichita.....	14,229	6,772	37,658	10,949
Oct. 1939.....	208,882	56,949	432,794	300,004
Sept. 1939.....	192,698	41,040	356,588	313,161
Oct. 1938.....	193,211	51,635	323,475	274,869
10 Mos. 1939.....	1,711,895	359,308	3,659,294	3,065,774
10 Mos. 1938.....	1,760,234	422,383	2,860,385	3,136,918

**Cold Storage Holdings**

After allowing for usual seasonal changes, United States cold storage stocks of most principal commodities continued to decline through October. Holdings of beef, however, showed about the usual seasonal increase and stocks of lard and cheese considerably less than the usual decrease. November 1 holdings of beef were 32, pork 16, miscellaneous meats 13, lard 2, shell eggs 18, and cheese 3 per cent below the average for that date during the past five years.

United States cold storage holdings:

	Nov. 1 1939	Oct. 1 1939	Nov. 1 1938	Aver. '34-'38
(In thousands of units)				
Beef, lbs.....	49,246	36,917	41,218	72,788
Pork, lbs.....	272,678	300,226	251,645	323,681
Lamb and mutton, lbs.....	3,498	2,965	2,606	3,191
Poultry, lbs.....	79,282	63,164	77,692	77,088
Miscellaneous meats, lbs.....	57,578	59,392	50,268	66,011
Lard, lbs.....	68,136	78,794	67,667	69,623
Eggs, shell, cases.....	3,528	5,430	3,244	4,293
Eggs, frozen (case equiv.)..	2,980	3,471	2,694	2,782
Butter, creamery, lbs.....	128,147	154,594	195,263	126,108
Cheese, all varieties, lbs.....	114,746	116,561	132,326	118,732

**Flour Milling**

Operations at southwestern flour mills dropped from an average of 89 per cent of capacity in September to 78 in October and 69 in the first half of November. Currently, production and sales are greatly limited by the heavy buying and the urgency of shipping directions early in September. A good part of the September business covered buyers' needs up to January 1, and sales have again declined to the rather low level that prevailed prior to the outbreak of war. Export trade is slow. October flour output

was about 5 per cent above the average of the past ten years and 4 per cent above output in the same month a year ago, while production for the year to date is 3 per cent larger than last year. Flour prices are slightly higher with wheat.

Flour output reported by the Northwestern Miller:

	Oct. 1939	Sept. 1939	Change from Oct. 1938
(In barrels)			
Kansas City.....	672,000	-105,000	+14,000
Salina.....	236,000	+5,000	+16,000
Wichita.....	193,000	-14,000	+19,000
Other cities.....	1,234,000	-213,000	+36,000
Southwest.....	2,335,000	-327,000	+85,000
United States*.....	6,382,000	-948,000	-67,000

\*Represents about 64 per cent of output in United States.

**Petroleum**

Daily average crude oil production in the District increased further during October and is now back to within 5 per cent of the level of output prior to the shutdown of wells last August. October production was little changed from that of a year ago and was slightly above average, while output for the first ten months of the year is 6 per cent less than last year.

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

	Oct. 1939		Sept. 1939		Oct. 1938	
	Gross	D. Av.	Gross	D. Av.	Gross	D. Av.
(In thousands of barrels)						
Colo.....	115	3.7	127	4.2	125	4.0
Kans.....	5,211	168.1	5,056	168.5	4,835	156.0
N. Mex.....	3,501	112.9	3,034	101.1	3,093	99.8
Okla.....	13,053	421.1	12,586	419.5	14,066	453.7
Wyo.....	1,978	63.8	1,921	64.1	1,649	53.2
5 States.....	23,858	769.6	22,724	757.4	23,768	766.7
U. S.....	111,444	3,595.0	108,168	3,605.6	101,830	3,284.8

Following a sharp decline when wells were closed last August, stocks of crude petroleum produced in this District eased further in October. Stocks are about 20 per cent under a year ago. War demand has strengthened the price of lubricants and petroleum wax but gasoline prices generally are weak.

**Coal**

Bituminous coal production in the District showed a further seasonal increase during October. Output for October was 17 and for the first ten months of the year about 5 per cent larger than last year.

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

	Oct. 1939	Sept. 1939	Change from Oct. 1938
(In tons)			
Colorado.....	707,000	+185,000	+166,000
Kansas and Missouri.....	642,000	+112,000	+109,000
New Mexico.....	117,000	+19,000	-13,000
Oklahoma.....	226,000	+44,000	+48,000
Wyoming.....	594,000	+44,000	+29,000
Six states.....	2,286,000	+404,000	+339,000
United States.....	45,255,000	+7,105,000	+10,266,000



**Zinc and Lead**

Zinc and lead shipments from the Tri-State district increased sharply during October, the zinc shipment rising 24 and that of lead 16 per cent above the movement in October last year.

October shipments from the Tri-State district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Kansas.....	11,312	\$ 497,743	1,556	\$ 100,446
Missouri.....	2,920	128,480	390	25,148
Oklahoma.....	25,702	1,130,932	2,966	191,448
Oct. 1939.....	39,934	\$ 1,757,155	4,912	\$ 317,042
Sept. 1939.....	32,725	1,274,188	3,667	229,366
Oct. 1938.....	32,198	952,469	4,229	239,130
10 Mos. 1939.....	330,006	10,706,437	48,767	2,731,877
10 Mos. 1938.....	308,674	8,527,773	42,324	2,153,894

Ore stocks have declined sharply in recent weeks, stocks of zinc now amounting to considerably less than a week's output at the current rate of production. Several mines have reopened and production, which is at the highest level in nearly two years, is increasing rapidly. Zinc and lead prices are steady.

**Employment and Pay Rolls**

Industrial employment and pay rolls in the District rose considerably further from the middle of September to the middle of October. Employment is now about 5 and pay rolls 8 per cent higher than a year ago.

Preliminary figures of the Department of Labor:

	October 1939 per cent change from September 1939	
	Employment	Pay Rolls
Colorado.....	+10.9	+11.7
Kansas.....	+1.4	+1.8
Missouri.....	+2.4	+5.0
Nebraska.....	+6.1	+4.8
New Mexico.....	-0.1	+9.9
Oklahoma.....	+0.7	+0.6
Wyoming.....	+6.8	+14.2
Seven states.....	+3.6	+5.1

**Building**

Value of construction awards in the Kansas City area (Nebraska, Kansas, Oklahoma, and western half of Missouri) in October was 5 per cent less than a year ago as compared with an increase of 4 per cent for the year to date. The October decrease reflected principally sharply smaller awards for nonresidential building. Awards for the first half of November remained 6 per cent below a year ago.

Construction figures of F. W. Dodge Corporation:

	Oct.	Oct.	10 Mos.	10 Mos.
	1939	1938	1939	1938
	(In thousands of dollars)			
Residential building.....	3,332	3,092	33,699	27,032
Nonresidential building.....	3,032	5,389	31,402	34,867
Public works construction.....	1,444	1,593	21,907	27,115
Utility construction.....	2,558	836	18,777	12,265
Kansas City area.....	10,366	10,910	105,785	101,279
37 Eastern states.....	261,796	357,698	2,896,598	2,505,810

The value of October building permits issued in reporting District cities was about 14 per cent above that for the corresponding month a year ago. Value of permits for the first ten months of the year shows an increase of 39 per cent over last year.

October building permits in District cities:

	PERMITS		ESTIMATED COST	
	1939	1938	1939	1938
Albuquerque, N. Mex....	87	46	\$ 159,000	\$ 166,000
Cheyenne, Wyo.....	42	71	99,000	115,000
Colorado Springs, Colo..	68	56	72,000	54,000
Denver, Colo.....	988	756	869,000	697,000
Hutchinson, Kans.....	92	88	52,000	53,000
Joplin, Mo.....	22	19	32,000	101,000
Kansas City, Kans.....	39	38	28,000	103,000
Kansas City, Mo.....	196	142	252,000	266,000
Lincoln, Nebr.....	262	203	647,000	164,000
Oklahoma City, Okla....	197	182	367,000	368,000
Omaha, Nebr.....	211	169	381,000	158,000
Pueblo, Colo.....	98	78	83,000	76,000
Salina, Kans.....	19	11	36,000	19,000
Shawnee, Okla.....	13	13	11,000	7,000
St. Joseph, Mo.....	10	22	3,000	16,000
Topeka, Kans.....	80	69	93,000	147,000
Tulsa, Okla.....	155	211	402,000	441,000
Wichita, Kans.....	363	330	256,000	428,000
October.....	2,942	2,504	\$ 3,842,000	\$ 3,379,000
September.....	2,634	2,481	4,115,000	3,650,000
Ten months.....	23,047	20,625	40,719,000	29,383,000

**Lumber**

Board feet sales of lumber at reporting retail yards in the District in October, for the fifth consecutive month, were under a year ago. The October decrease was nearly 10 per cent, but total sales so far in 1939 are little different from 1938 because of large increases in early months this year.

Lumber stocks showed little change during October and are about 5 per cent under a year ago. Collections in October averaged 34.6 per cent as compared with 34.0 per cent in the same month of 1938.

Lumber trade at 152 retail yards in the District:

	Oct. 1939 per cent change from Sept. 1939		Oct. 1938
	Sept. 1939	Oct. 1938	
Sales of lumber, board feet.....	+12.1	-9.5	
Sales of all materials, dollars.....	+11.1	+2.9	
Stocks of lumber, board feet.....	-0.1	-4.6	
Outstandings, dollars.....	+2.5	-1.9	

**Life Insurance**

October life insurance sales in the District were about 7 and sales for the first ten months of the year 4 per cent larger than in the same periods last year.

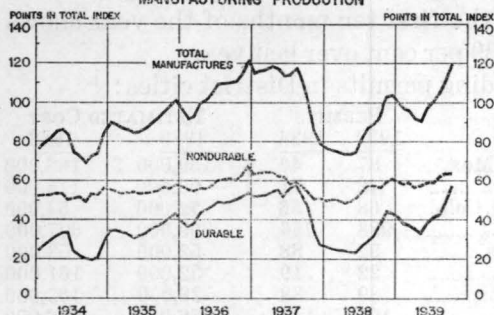
The Life Insurance Sales Research Bureau report:

	Change from		
	Oct. 1939	Sept. 1939	Oct. 1938
	(In thousands of dollars)		
Colorado.....	4,980	+365	+732
Kansas.....	6,610	+1,023	+684
Missouri.....	16,474	+2,007	+1,583
Nebraska.....	5,093	+277	+448
New Mexico.....	1,139	+340	-112
Oklahoma.....	7,618	+857	-685
Wyoming.....	1,128	+241	+59
Seven states.....	43,042	+5,110	+2,709
United States.....	543,991	+101,394	+55,035

## NATIONAL SUMMARY OF BUSINESS CONDITIONS

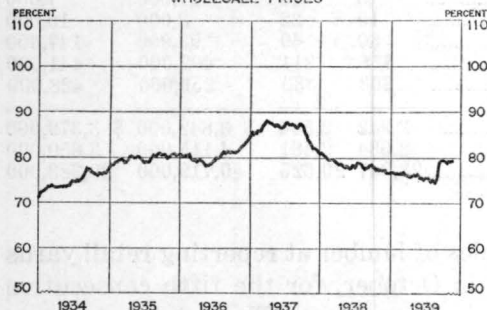
By the Board of Governors of the Federal Reserve System

## MANUFACTURING PRODUCTION



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. Durable and nondurable series expressed in terms of points in the total index. By months, January, 1934, through October, 1939.

## WHOLESALE PRICES



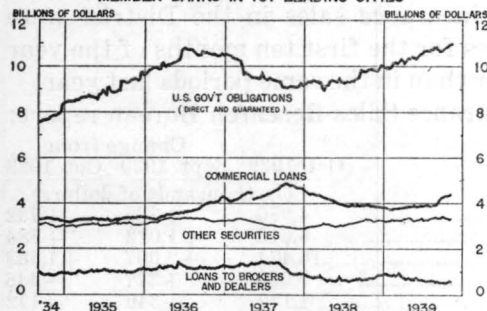
Index compiled by the United States Bureau of Labor Statistics, 1926=100. By weeks, 1934 through week ending November 11, 1939.

## MONEY RATES IN NEW YORK CITY



For weeks ending January 6, 1934, through November 11, 1939.

## MEMBER BANKS IN 101 LEADING CITIES



Wednesday figures for reporting member banks in 101 leading cities, September 5, 1934, through November 8, 1939. Commercial loans, which include industrial and agricultural loans, represent prior to May 19, 1937, so-called "Other loans" as then reported.

Rapid expansion of industrial output continued in October, and employment and pay rolls increased considerably. Distribution of commodities to consumers, which had increased in September, was maintained at the higher level in October. In the first half of November industrial activity increased further but, with production in many industries approaching capacity, the advance was less rapid than in earlier months. Commodity prices generally showed little change during October and the first half of November, following the sharp rise in September.

## PRODUCTION

Volume of industrial production showed a further sharp rise in October and the Board's seasonally adjusted index advanced from 111 to 120 per cent of the 1923-1925 average. Marked increases in activity were reported in the steel and steel-consuming industries and at mines. In the steel industry ingot production in October was at a rate of 90 per cent of capacity and actual volume of output was the greatest for any month on record. Some further increase in the rate of output was reported in the first half of November. Pig iron production also advanced sharply and lake shipments of iron ore, which had increased considerably in September, continued in exceptionally large volume. Activity in the machinery and shipbuilding industries and in most other steel-consuming lines rose in October but by a considerably smaller amount than output of steel. In the automobile industry, however, output showed less than the marked rise usual at this season. This was due to the fact that plants of one large producer were closed during most of the month by an industrial dispute. Mineral production in October was at record levels owing chiefly to a high rate of crude petroleum output.

In the nondurable goods industries activity was generally maintained at the high levels reached in August and September. Flour production declined sharply, however, following an exceptionally large volume of output in September.

Value of construction contracts, as reported by the F. W. Dodge Corporation, decreased considerably in October, reflecting principally a reduction in awards for public construction. Private residential contracts continued in substantial volume while awards for commercial and industrial building declined somewhat following increases in the previous month.

## EMPLOYMENT

Reports from leading industrial states indicate that factory employment and pay rolls increased sharply between the middle of September and the middle of October. Increases were particularly large at steel mills and in related industries. There was also a considerable increase in employment on the railroads in October.

## DISTRIBUTION

Retail distribution of general merchandise in October showed about the usual seasonal rise from the advanced September level. In the early part of November department store sales increased considerably.

Freight carloadings rose further from September to October, reflecting a large increase in shipments of miscellaneous freight, which includes most manufactured products, and smaller increases in loadings of coal, forest products, and ore.

## COMMODITY PRICES

Price changes that have occurred since the general sharp rise in September have reflected largely particular developments in individual commodities. From the middle of October to the middle of November prices of a number of foodstuffs continued to decline and there were also decreases in some industrial materials, such as print cloths, wool, tin, and steel scrap. Wheat, cotton, and burlap advanced somewhat while prices of most other commodities, including finished industrial products, showed little change.

## GOVERNMENT SECURITY PRICES

Following a sharp recovery from the low of September 21, prices of United States Government bonds showed irregular changes during the period from October 24 through the first half of November. On November 15 yields on long-term Treasury bonds were at 2.47 per cent as compared with 2.79 per cent on September 21.

## BANK CREDIT

Total loans and investments at reporting member banks in 101 leading cities increased substantially during the six weeks ending November 8, reflecting largely purchases of Treasury bills by New York City banks. Commercial loans continued to show moderate increases. Deposits at these banks rose to new high levels.