

Member Bank Operations

Loans at reporting member banks in the Tenth District continued to rise from the middle of November to the middle of December, reflecting not only a substantial further increase in the volume of commercial loans, which had been expanding since early last May, but increases in nearly all other types of loans as well. Investments increased somewhat further from the low point of the year at the first of October, owing principally to large purchases of Treasury bills. Holdings of Treasury notes and Government bonds declined during the four weeks, while holdings of obligations guaranteed by the Government and other securities were little changed. Loans are now about 18 per cent larger but investments are slightly smaller than a year ago.

Adjusted demand deposits at reporting member banks have again risen almost to the record level of last October, but deposits of other banks at these reporting banks, their correspondent balances at other banks, and their reserve balances at this bank are all down sharply from recent highs. Adjusted demand deposits are 8 and deposits due to banks 14 per cent larger than a year ago, while reserves are 20 and correspondent balances 8 per cent greater.

Principal items of condition of 51 member banks:

	Change from		
	Dec. 13 1939	Nov. 15 1939	Dec. 14 1938
(In thousands of dollars)			
Loans and investments—total.....	693,830	+15,044	+44,456
Loans—total.....	299,215	+8,781	+44,926
Coml., indust., agric.....	184,470	+6,120	+30,177
Open market paper.....	17,628	+788	+862
To security brokers and dealers....	4,052	+944	-159
Other to purchase or carry secur....	10,004	+250	-1,816
Real estate loans.....	26,445	+437	+3,797
Loans to banks.....	528	-438	-115
All other loans.....	56,088	+680	+12,180
Investments—total.....	394,615	+6,263	-470
U. S. Treasury bills.....	26,958	+11,951	*
U. S. Treasury notes.....	81,657	-1,656	*
U. S. Govt. bonds.....	96,682	-3,892	*
Oblig. guar. by U. S. Govt.....	57,548	+226	+5,940
Other securities.....	131,770	-366	+2,446
Reserve with F. R. Bank.....	189,655	+971	+31,650
Balances with domestic banks.....	306,489	-33,518	+21,649
Demand deposits—adjusted.....	539,497	+8,990	+41,621
Time deposits.....	143,128	-2,104	+1,295
U. S. Govt. deposits.....	23,787	+840	+3,131
Interbank deposits.....	417,137	-23,934	+50,195

*Comparable figures not available.

Reserve Bank Operations

Note circulation of this bank continues to increase, reaching a new high level of 183 $\frac{1}{3}$ million dollars early in December before the return flow of currency that usually takes place shortly after the first of the month. During the first half of December, circulation averaged better than 182 $\frac{3}{4}$ million as compared with about 180 $\frac{1}{2}$ million in November and 178 $\frac{1}{4}$ million in October and is nearly 12 million above what it was at this time last year.

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

	Change from		
	Dec. 13 1939	Nov. 15 1939	Dec. 14 1938
(In thousands of dollars)			
Total reserves.....	375,846	+15,725	+59,434
Bills discounted.....	1,048	-489	+366
Bills purchased.....	Zero	Zero	-16
Industrial advances.....	183	-2	-86
Commit. to make indust. adv.....	550	-17	-2
U. S. Govt. sec., direct & guar....	113,085	-4,328	-164
Total assets.....	533,233	+6,417	+57,411
F. R. notes in circulation.....	182,225	+1,829	+11,961
Member bank reserve deposits..	261,392	-1,942	+32,654

Dollar volume of check collections declined less than seasonally during November. Dollar volume in November was 10 but in the first eleven months of 1939 only 6 per cent larger than in 1938.

Check collections through this bank and branches:

	ITEMS		AMOUNT	
	1939	1938	1939	1938
(In thousands)				
November.....	5,755	5,895	\$ 1,014,840	\$ 921,143
October.....	6,083	6,170	1,056,556	965,412
Eleven months.....	65,051	64,348	10,392,486	9,814,018

Bank Debits

Following a small contraseasonal decrease in the preceding month, debits to individual accounts by banks in reporting centers of the District declined considerably less than is usual during November. Volume of payments by check in November was 5 and in the first eleven months of the year about 3 per cent larger than in the corresponding periods last year.

Payments by check in thirty District cities:

	Change from		
	Nov. 1939	Oct. 1939	Nov. 1938
(In thousands of dollars)			
Albuquerque, N. Mex.....	18,169	+1,221	+1,581
Atchison, Kans.....	2,755	-267	-75
Bartlesville, Okla.....	33,085	+2,563	+5,775
Casper, Wyo.....	7,001	-777	+284
Cheyenne, Wyo.....	8,188	-1,237	-525
Colorado Springs, Colo.....	16,334	+538	-675
Denver, Colo.....	163,563	-9,134	+5,709
Emporia, Kans.....	3,336	-451	+6
Enid, Okla.....	9,549	-259	+327
Fremont, Nebr.....	2,420	-136	+139
Grand Junction, Colo.....	3,846	-437	+52
Guthrie, Okla.....	1,300	-292	-408
Hutchinson, Kans.....	9,680	-943	-2,720
Independence, Kans.....	2,488	-34	-137
Joplin, Mo.....	10,385	-1,113	+1,396
Kansas City, Kans.....	15,868	-692	+813
Kansas City, Mo.....	296,917	-27,310	+27,152
Lawrence, Kans.....	3,362	-606	+266
Lincoln, Nebr.....	29,975	-794	+2,335
Muskogee, Okla.....	7,535	-2,270	-161
Oklahoma City, Okla.....	99,238	-2,355	+3,719
Okmulgee, Okla.....	2,563	-16	+78
Omaha, Nebr.....	140,102	-9,425	-2,187
Pittsburg, Kans.....	3,605	-240	+139
Pueblo, Colo.....	23,493	+5,775	-1,426
Salina, Kans.....	8,085	-1,072	-202
St. Joseph, Mo.....	28,054	-1,165	+4,191
Topeka, Kans.....	15,571	-41	+187
Tulsa, Okla.....	131,883	+3,092	+6,878
Wichita, Kans.....	39,393	-5,505	+110
District, 30 cities.....	1,137,743	-53,382	+52,621
United States, 141 cities..	31,676,086	-1,035,219	+2,212,616

Trade

RETAIL SALES

Dollar volume of sales at reporting department stores in the District in November, as in the preceding month, were under a year ago while total sales for the first eleven months of the year were a little larger than last year. During the first three weeks of December, sales were 5 per cent above last year. Gift buying was in large volume but the movement of other seasonal merchandise continued to be greatly curtailed by exceptionally mild weather. Retail prices are about 3 per cent above a year ago.

Stocks of merchandise increased further by more than the usual amount during November and are now 2 per cent above a year ago. Collections on open accounts averaged 48.4 per cent in November as compared with 48.2 per cent last year, while installment collections averaged 16.9 against 16.1 per cent.

Department store sales and stocks in leading cities:

	SALES			STOCKS	
	No. of Stores	Nov. '39 comp. to Nov. '38	11 Mos. '39 comp. to 11 Mos. '38	Nov. 30, '39 comp. to Oct. 31, '39	Nov. 30, '38
	(Per cent increase or decrease)				
Denver.....	4	+0.9	+2.3	+8.7	-2.1
Kansas City.....	5	+3.0	+2.6	+6.2	+3.8
Oklahoma City.....	3	-6.4	+1.9	+8.8	+10.8
Omaha.....	3	-5.3	-1.1	+2.9	+1.1
Tulsa.....	4	+0.4	-0.4	+7.9	+4.5
Wichita.....	3	-2.0	Zero	....	....
Other cities.....	17	-5.2	-1.2	+2.2	+1.8
District.....	39	-1.3	+1.1	+6.3	+2.0

Total retail sales in the District in November and in the first eleven months of the year were about 4 per cent larger than in the same periods last year.

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

	Nov. 1939 per cent change from Nov. 1938						
	Colo.	Kans.	Mo.	Nebr.	N.Mex.	Okla.	Wyo.
Apparel.....	-9.0	-2.8	+3.0	-1.9	-5.4	-0.4	-12.8
Automobile.....	+1.3	+11.4	+27.1	+14.0	+0.4	-0.7	-7.0
Country genl.....	-9.5	-3.4	+3.3	-4.0	-5.7	-2.5	+9.7
Department.....	+2.2	-3.0	+4.7	-5.9	....	-6.5	....
Drug.....	+1.8	-0.1	+5.3	+7.1	+2.6	+0.2	+9.5
Furniture.....	+12.1	+3.7	+3.4	+9.1	-13.2	-6.1	....
Grocery.....	-1.0	-5.8	+0.8	-3.2	+2.0	-3.2	-0.3
Hardware.....	+1.8	+9.9	+4.0	+5.3	....	+2.8	....
Lbr. & mtls.....	+4.3	-1.1	+21.1	+4.8	+3.7	-5.8	+44.9
Total.....	+1.0	+0.9	+6.8	Zero	-0.9	-2.5	+8.3

WHOLESALE SALES

The value of wholesale sales in this District in November and in the first eleven months of 1939 was little changed from that in the corresponding periods of 1938. Of the principal lines, sales of drugs, dry goods, and groceries are running somewhat below a year ago, while sales of furniture and hardware are considerably above last year. Wholesale stocks at the close of November were 5 per cent larger than a year earlier. Collections in November averaged 67.9 per cent as compared with 75.3 per cent last year.

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

	SALES		STOCKS	
	No. of Firms	Nov. '39 comp. to Nov. '38	11 Mos. '39 comp. to 11 Mos. '38	Nov. 30, '39 comp. to Nov. 30, '38
	(Per cent increase or decrease)			
Auto. supplies....	9	+8.3	-0.2	+0.4
Drugs.....	12	-4.4	-0.5	-1.0
Dry goods.....	7	-4.3	-0.1	-9.4
Electrical goods..	11	+39.4	+18.1	-1.5
Farm products....	9	+8.0	....	+2.0
Furniture.....	3	+5.3	+11.2	....
Groceries.....	42	-3.4	-1.8	-0.3
Hdwe.—total.....	(17)	+7.8	+6.0	-0.4
General.....	8	+10.6	+3.3	-0.3
Industrial.....	5	+0.5	+10.3	-0.9
Plbg. & htg.....	4	+1.6	+10.6	....
Jwelry & opt.gds..	3	+1.7	....	-4.8
Machinery.....	3	+14.3	....	....
Paper & prod.....	4	+5.6	....	....
Tobacco & prod..	8	-0.3	-2.8	-1.7
All other lines....	17	+8.6	+4.9	+5.5
Total.....	145	+0.4	+0.6	-1.1

Crops

Unprecedented fall drought, intensified by unseasonably high temperatures that depleted rapidly the limited supply of soil moisture, is reflected in a decrease of about 6 per cent in the acreage sown to winter wheat in the District in 1939 and in the lowest December 1 condition of wheat on record. The acreage in Kansas is about 7 and in Nebraska 17 per cent smaller than that seeded in the fall of 1938 and is considerably below the average from 1927 to 1936, but in Oklahoma the acreage is 5 per cent larger than last year and is above the average. The fall seeded acreage is far below the very large acreage sown in the years 1936 and 1937.

Department of Agriculture estimates of winter wheat acreage and condition:

	FALL SEEDED ACREAGE				CONDITION DEC. 1			
	1939	1938	1937	Aver. '27-'36	'39	'38	'37	Aver. '27-'36
	(000 omitted)				(Per cent)			
Colo.....	1,246	1,385	1,371	1,355	38	82	64	70
Kans.....	12,913	13,885	16,933	13,694	35	61	73	76
Mo.....	1,751	1,883	2,590	1,935	68	72	66	86
Nebr.....	3,174	3,824	4,721	3,539	37	71	71	79
N. Mex....	376	342	410	387	57	80	64	77
Okla.....	5,094	4,851	6,300	4,736	34	62	75	74
Wyo.....	239	241	241	190	60	84	68	75
7 States.....	24,793	26,411	32,566	25,836	38	65	72	77
U. S.....	45,014	46,364	56,539	46,996	55	72	76	80

Snow and rain toward the close of December brought some relief from the drought. At best, however, the condition of winter wheat is only fair over the eastern parts of Kansas and Oklahoma and in extreme eastern and western Nebraska, and elsewhere in the District it is generally quite poor, with much of the acreage not yet having even germinated. Supplies of both topsoil and subsoil moisture at the first of December had been only one-fifth to one-third of normal, Nebraska showing the greatest deficiency.

November rainfall was about normal in Missouri and New Mexico but in Oklahoma it was only 65, Kansas 63, and Colorado 34 per cent of normal and in Wyoming and Nebraska it was virtually lacking, the percentages being 1 and 4, respectively. For the three months, September through November, Nebraska had only 25, Kansas 29, and Oklahoma 41 per cent of normal precipitation.

Rainfall

	Nov. 1939		11 Mos. 1939	
	Total	Normal	Total	Normal
(In inches)				
COLORADO				
Denver.....	.01	.55	7.32	13.32
Leadville.....	.33	.93	12.22	17.55
Pueblo.....	.51	.36	8.45	11.17
Lamar.....	.25	.53	8.59	15.19
Garnett.....	.03	.32	4.40	6.72
Steamboat Springs....	.25	1.49	17.57	21.16
KANSAS				
Topeka.....	1.42	1.52	21.59	32.57
Iola.....	2.19	2.22	25.40	36.78
Concordia.....	.48	.99	19.35	25.92
Salina.....	1.00	1.43	17.53	26.50
Wichita.....	.81	1.39	27.96	29.11
Hays.....	.11	1.01	15.15	23.07
Goodland.....	Zero	.72	15.71	18.14
Dodge City.....	.42	.73	11.75	19.94
Elkhart.....	.03	.84	7.89	16.97
MISSOURI				
St. Joseph.....	2.73	1.58	25.95	34.27
Kansas City.....	2.45	1.83	34.04	35.78
Joplin.....	3.05	2.77	37.57	41.83
NEBRASKA				
Omaha.....	.35	1.07	18.58	26.84
Lincoln.....	.52	1.07	18.79	26.98
Norfolk.....	Trace	1.12	15.96	27.43
Grand Island.....	Trace	1.04	16.16	26.27
McCook.....	Trace	.78	13.75	19.13
North Platte.....	Trace	.47	11.29	17.82
Bridgeport.....	Zero	.43	12.61	15.71
Valentine.....	Trace	.56	17.81	18.29
NEW MEXICO				
Clayton.....	.95	.72	10.82	16.23
Santa Fe.....	.74	.68	12.88	13.53
Farmington.....	.47	.86	7.35	9.01
OKLAHOMA				
Tulsa.....	1.78	2.48	26.57	36.83
McAlester.....	2.16	2.84	31.91	40.66
Oklahoma City.....	.84	1.87	26.57	29.65
Pauls Valley.....	1.90	2.32	25.48	33.10
Hobart.....	.17	1.66	20.02	26.97
Enid.....	.42	1.60	23.30	29.46
Woodward.....	.40	1.67	19.14	25.00
WYOMING				
Cheyenne.....	.06	.55	9.57	14.47
Casper.....	Zero	.99	8.53	14.45
Lander.....	Zero	.68	7.88	12.03
Sheridan.....	Zero	.64	16.16	14.43

Grain Marketing

Wheat marketings remained in small volume during November, reflecting principally holding by producers because of the poor outlook for next year's crop and the large amount of wheat stored under Government loans. Receipts of wheat were 41 per cent smaller than a year ago and 26 per cent below the November average of the past ten years. Corn receipts, although 19 per cent smaller than a year ago, were 12 per cent above average, owing in part to the movement of Government loan corn to terminal

storage. Marketings of oats were 30 per cent smaller than a year ago and 38 per cent under average.

November grain receipts at five District markets:

	Wheat	Corn	Oats
	(In bushels)		
Hutchinson.....	787,000	.....	.....
Kansas City.....	2,269,000	1,713,000	120,000
Omaha.....	438,000	1,583,000	188,000
St. Joseph.....	189,000	684,000	140,000
Wichita.....	1,053,000	26,000	8,000
Nov. 1939.....	4,736,000	4,006,000	456,000
Oct. 1939.....	5,202,000	4,089,000	897,000
Nov. 1938.....	8,076,000	4,965,000	650,000
11 Mos. 1939.....	157,231,000	22,962,000	9,746,000
11 Mos. 1938.....	170,347,000	29,414,000	10,617,000

Cash wheat prices, which for three months had fluctuated rather narrowly around the high point of the early September upturn, again advanced sharply in the first three weeks of December, rising to the highest level in two years. Continued deterioration in domestic winter wheat prospects and damage to the Argentine crop, together with heavy war buying of Canadian wheat, were the principal strengthening influences. Corn prices, which had lost virtually all of the early September upturn, have risen gradually the past two months and have regained about half the decline. Wheat prices are now substantially above while corn prices are still somewhat below Federal loan levels.

The lower range of cash prices at Kansas City:

	Dec. 22	Nov. 30	Oct. 31	Nov. 30
	1939	1939	1939	1938
No. 1 hd., dk. wheat, bu..	\$1.01 3/4	\$.87 1/4	\$.84 3/4	\$.63 3/4
No. 2 mixed corn, bu.....	.56	.53 3/4	.50 1/4	.45
No. 2 white oats, bu.....	.40 1/2	.39	.37 1/4	.26
No. 2 rye, bu.....	.68	.55	.56	.41
No. 2 barley, bu.....	.55	.52	.49	.37
No. 2 white kafir, cwt....	1.07	1.10	1.05	.71

Livestock

MARKETINGS

Marketings of cattle, calves, and sheep declined seasonally during November, while receipts of hogs showed a large seasonal increase. Marketings of cattle were little different from a year ago and were 9 per cent under the November ten-year average, but receipts of other livestock were substantially heavier than a year ago, with calves 14 and sheep 4 per cent above and hogs only 3 per cent below average.

November livestock receipts at six markets:

	Cattle	Calves	Hogs	Sheep
	Denver.....	73,036	24,356	34,380	215,139
Kansas City.....	125,159	40,476	219,865	113,455
Oklahoma City.....	42,504	17,756	48,621	19,489
Omaha.....	103,909	18,745	185,092	98,513
St. Joseph.....	29,572	5,693	98,988	78,795
Wichita.....	30,625	10,389	40,028	12,410
Nov. 1939.....	404,805	117,415	626,974	537,801
Oct. 1939.....	588,030	160,568	487,208	951,126
Nov. 1938.....	408,203	93,514	388,703	463,678
11 Mos. 1939.....	3,831,744	827,225	4,815,516	7,048,683
11 Mos. 1938.....	3,809,035	777,706	3,624,605	7,320,955

PRICES

Reflecting in part rather liberal marketings for this season of the year, livestock prices have declined further from the relatively high level to which they had risen last September. During the past three months, beef steer prices have lost about \$1.00, lambs \$1.50, and hogs \$3.00 a hundredweight. Cattle and lamb prices, which have been supported to a considerable extent by a broad demand for stocker and feeder animals and by the higher price for wool, still retain part of their early September advance, but the top price of hogs had fallen by the second week of December to a new five-year low of \$5.25 a hundredweight. All livestock prices advanced strongly in the third week of December.

Top livestock prices at the Kansas City market:

	Dec. 22 1939	Nov. 1939	Oct. 1939	Nov. 1938	Nov. 1937	Nov. 1936
(In dollars per hundredweight)						
Beef steers.....	11.15	11.25	11.25	11.85	13.50	12.00
Stocker cattle.....	10.00	10.00	10.35	9.25	8.50	8.00
Feeder cattle.....	8.75	9.35	9.25	9.00	10.00	8.25
Calves.....	10.00	10.00	10.00	10.00	9.50	9.00
Hogs.....	5.75	6.65	7.20	8.00	9.40	9.55
Sheep.....	7.50	7.90	8.00	8.00	8.75	7.75
Lambs.....	9.00	9.75	9.65	9.50	10.15	9.25

STOCKERS AND FEEDERS

Countryward shipments of stocker and feeder livestock from public markets, although seasonally smaller than in the preceding month, remained in large volume through November. The movement continued much above a year ago, with shipments of cattle 5, calves 70, and sheep 8 per cent above the November average of the past ten years.

November stocker-feeder shipments:

	Cattle	Calves	Hogs	Sheep
Denver.....	45,680	18,732	266	168,762
Kansas City.....	74,032	27,362	2,220	35,755
Omaha.....	42,876	10,563	797	21,565
St. Joseph.....	7,773	2,531	618	16,085
Nov. 1939.....	170,361	59,188	3,901	242,167
Oct. 1939.....	257,801	72,502	4,910	446,540
Nov. 1938.....	161,618	35,382	3,995	187,700
11 Mos. 1939.....	1,187,429	289,867	47,704	1,665,911
11 Mos. 1938.....	1,088,649	161,137	41,332	1,472,252

According to the Department of Agriculture, developments to early December indicated that cattle and lamb feeding operations in the District this winter will be larger than seemed probable a month earlier although still much below the scale of operations in other sections of the country, particularly in eastern Corn Belt states, where feed and water conditions are more favorable. Cattle feeding is expected to show some increase over last year in Corn Belt states in this District, a small decrease in Colorado, and little change in other western states. Lamb feeding is now expected to show some increase over last season in Wyoming, an increase of at least 10 per cent in the Scottsbluff

area of Nebraska, and a substantial increase in the rest of that state and in New Mexico. The number of lambs fed in Colorado will be from 15 to 20 per cent smaller this year than last, and the number on feed in Kansas and Oklahoma is sharply lower because of fall drought and a lack of wheat pastures.

Ranges and pastures in the District are poor and stock water is short in many areas. Cattle and sheep, however, are still in fair to good condition because of the mild weather. Feed supplies generally are adequate for the greatly reduced numbers of livestock on hand if the winter should not be too severe.

PIG CROP

The sharp upswing in hog production that had started in the spring of 1938 continued through the fall of 1939 but apparently has been checked. The United States fall pig crop was 16 per cent larger and the combined spring and fall crop was 19 per cent larger than a year ago, but the number of sows to farrow next spring is estimated to be practically the same as the number farrowed in the spring of 1939. Hog production the past year was the largest in seventeen years of record, being slightly above the previous record pig crop of 1933.

Farm Income

Cash farm income in the District in October remained at a level 22 per cent above a year ago. Receipts from the sale of crops were 11 and from livestock 20 per cent larger, while Government payments were more than two and a half times what they were in October last year.

Department of Agriculture farm income estimates:

	Oct. 1939	Oct. 1938	10 Mos. 1939	10 Mos. 1938
(In thousands of dollars)				
Colorado.....	21,846	17,268	100,235	92,499
Kansas.....	21,334	17,856	222,123	213,020
Missouri.....	29,330	25,263	204,864	200,655
Nebraska.....	26,408	18,858	196,558	165,686
New Mexico.....	9,865	8,200	34,640	29,103
Oklahoma.....	21,133	17,882	143,982	140,634
Wyoming.....	8,609	7,826	38,914	33,049
Seven states.....	138,525	113,153	941,316	874,646
United States.....	894,000	836,000	6,335,000	6,193,000

District income for the first ten months of 1939 shows an increase over 1938 of about 8 per cent. Fully three-fifths of this increase is accounted for by larger Government payments, which so far this year represent more than 11 per cent of total income as compared with less than 8 per cent last year. By states, farm income is up 18 per cent in Wyoming, 8 in Colorado, 19 in Nebraska and New Mexico, 4 in Kansas, and 2 per cent in Oklahoma and Missouri. Income from corn, meat animals, and wool is generally above and from wheat, cotton, eggs, and dairy products below a year ago.

Meat Packing

During November the proportion of market receipts of cattle and calves being reshipped to ranges and feedlots continued to be large. As a result, packers' purchases of cattle were 14 and calves 10 per cent below the November average of the past ten years. Packers' purchases of hogs, following four years of abnormally low slaughter, were 11 and of sheep 5 per cent above average. The slaughter of cattle was 8 per cent less than in November a year ago, while that of calves was 12, hogs 68, and sheep 7 per cent larger.

November packers' purchases at six markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	15,276	4,662	29,796	26,931
Kansas City.....	47,139	11,432	210,200	72,513
Oklahoma City.....	18,456	11,397	33,731	11,991
Omaha.....	50,960	8,045	171,202	72,410
St. Joseph.....	21,534	3,248	95,330	62,235
Wichita.....	13,061	5,795	37,282	9,895
Nov. 1939.....	166,426	44,579	577,541	255,975
Oct. 1939.....	208,882	56,949	432,794	300,004
Nov. 1938.....	180,133	39,667	343,288	239,654
11 Mos. 1939.....	1,878,321	403,887	4,236,835	3,321,749
11 Mos. 1938.....	1,940,367	462,050	3,203,673	3,376,572

Cold Storage Holdings

United States cold storage stocks of pork, lard, and poultry increased sharply during November, while holdings of beef showed somewhat less than the usual increase. Stocks of eggs, butter, and cheese declined seasonally. December 1 holdings of beef were 30, pork 12, shell eggs 28, and butter 4 per cent below the average for that date during the past five years, while stocks of poultry were 12 and lard 23 per cent above the average.

United States cold storage holdings:

	Dec. 1 1939	Nov. 1 1939	Dec. 1 1938	Aver. '34-'38
(In thousands of units)				
Beef, lbs.....	66,925	49,242	52,637	95,653
Pork, lbs.....	332,357	272,655	299,142	378,860
Lamb and mutton, lbs.....	4,190	3,499	3,171	4,251
Poultry, lbs.....	127,030	79,228	118,088	113,578
Miscellaneous meats, lbs.....	68,985	57,519	54,251	75,105
Lard, lbs.....	88,540	68,738	74,499	71,793
Eggs, shell, cases.....	1,580	3,519	1,439	2,197
Eggs, frozen (case equiv.).....	2,508	2,979	2,231	2,402
Butter, creamery, lbs.....	89,752	128,111	160,632	93,734
Cheese, all varieties, lbs.....	112,211	114,736	127,440	113,055

Flour Milling

Southwestern flour milling operations averaged about 68 per cent of capacity in November and the first half of December and currently show the full effect of heavy schedules last September when operations were at a rate of 89 per cent of capacity. November output, however, was little changed from a year ago and was about equal to the ten-year average, while production for the year to date is about 3 per cent larger than last year. Although flour sales normally are dull during the holiday and pre-inventory season

and buyers, particularly jobbers and wholesalers, are still fairly heavily stocked from September buying, flour sales rose considerably above the prevailing hand-to-mouth basis toward the end of November and early in December when flour prices advanced.

Flour output reported by the Northwestern Miller:

	Nov. 1939	Oct. 1939 (In barrels)	Change from Nov. 1938
Kansas City.....	580,000	-92,000	-6,000
Salina.....	219,000	-17,000	+5,000
Wichita.....	153,000	-40,000	-2,000
Other cities.....	1,062,000	-172,000	-12,000
Southwest.....	2,014,000	-321,000	-15,000
United States*.....	5,301,000	-1,081,000	-311,000

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

Petroleum

Daily average crude oil production in the District, which by October had regained the level prevailing prior to the shutdown of wells last August, declined slightly during November. Output was 3 per cent larger than in November a year ago and 4 per cent above average, while production for the year to date is 5 per cent less than last year.

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

	Nov. 1939		Oct. 1939		Nov. 1938	
	Gross	D. Av.	Gross	D. Av.	Gross	D. Av.
(In thousands of barrels)						
Colo.....	115	3.8	141	4.6	104	3.5
Kans.....	5,284	176.1	5,456	176.0	4,724	157.5
Nebr.....	1	.1	.....	.....	.....	.....
N. Mex.....	3,318	110.6	3,537	114.1	3,103	103.4
Okla.....	12,700	423.3	13,634	439.8	13,228	441.0
Wyo.....	1,971	65.7	1,951	62.9	1,582	52.7
6 States.....	23,389	779.6	24,719	797.4	22,741	758.1
U. S.....	108,903	3,630.1	114,198	3,683.8	98,567	3,285.6

Stocks of crude petroleum produced in this District, which are about 16 per cent under a year ago, have shown little change the past three months at the rather low level reached early in September. Exports of crude oil and refined products except gasoline are well above last year.

Coal

Bituminous coal production in the District declined contraseasonally during November, falling 8 per cent under a year ago. Output for the first eleven months of 1939 was up 3 per cent from 1938.

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

	Nov. 1939	Oct. 1939 (In tons)	Change from Nov. 1938
Colorado.....	653,000	-54,000	-85,000
Kansas and Missouri.....	627,000	-15,000	+47,000
New Mexico.....	122,000	+5,000	-31,000
Oklahoma.....	166,000	-60,000	-39,000
Wyoming.....	557,000	-37,000	-71,000
Six states.....	2,125,000	-161,000	-179,000
United States.....	42,835,000	-3,115,000	+6,910,000

Zinc and Lead

Zinc and lead production in the Tri-State district was maintained at a high level during November but shipments of zinc dropped sharply after the middle of the month, owing in part to competition from Canadian ore. The zinc shipment was 6 per cent smaller while that of lead was 13 per cent larger than in November a year ago.

November shipments from the Tri-State district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Kansas.....	9,846	\$ 433,218	1,723	\$ 111,156
Missouri.....	2,665	117,242	387	24,998
Oklahoma.....	22,529	991,285	2,987	192,785
Nov. 1939.....	35,040	\$ 1,541,745	5,097	\$ 328,939
Oct. 1939.....	39,934	1,757,155	4,912	317,042
Nov. 1938.....	37,419	1,136,798	4,495	254,136
11 Mos. 1939.....	365,046	12,248,182	53,864	3,060,816
11 Mos. 1938.....	346,093	9,664,571	46,819	2,408,030

Zinc ore prices, which had risen \$12.50 a ton last September, lost \$4.50 of this advance in the first week of December. Lead prices are steady.

Employment and Pay Rolls

District employment and pay rolls, after a substantial rise earlier in the fall, were little changed from mid-October to mid-November. Employment is about 5 and pay rolls 9 per cent above a year ago.

Preliminary figures of the Department of Labor:

	November 1939 per cent change from October 1939	
	Employment	Pay Rolls
Colorado.....	-2.6	+4.1
Kansas.....	+0.5	-1.0
Missouri.....	-0.3	-1.6
Nebraska.....	+0.3	+4.5
New Mexico.....	-0.4	+0.1
Oklahoma.....	+0.8	-0.3
Wyoming.....	-0.6	-7.0
Seven states.....	-0.3	-0.2

Building

Value of construction awards in the Kansas City area (Nebraska, Kansas, Oklahoma, and western half of Missouri) in November was 28 per cent less than a year ago, erasing virtually all of the previous increase for the year 1939 over 1938. Sharply smaller awards for nonresidential building and for public works construction account for the lag. Awards for the first half of December were less than a third of a year ago.

Construction figures of F. W. Dodge Corporation:

	Nov. 1939	Nov. 1938	11 Mos. 1939	11 Mos. 1938
	(In thousands of dollars)			
Residential building.....	3,115	3,037	36,814	30,069
Nonresidential building.....	1,855	4,775	33,257	39,642
Public works construction.....	3,150	4,968	25,057	32,083
Utility construction.....	2,067	1,346	20,844	13,611
Kansas City area.....	10,187	14,126	115,972	115,405
37 Eastern states.....	299,847	301,679	3,196,445	2,807,489

The value of November building permits issued in reporting District cities was about 17 per cent below that for the same month a year ago. Value of permits for the first eleven months of the year, however, still shows an increase of 33 per cent over last year.

November building permits in District cities:

	PERMITS		ESTIMATED COST	
	1939	1938	1939	1938
Albuquerque, N. Mex.....	62	48	\$ 119,000	\$ 265,000
Cheyenne, Wyo.....	33	30	113,000	87,000
Colorado Springs, Colo.....	55	44	47,000	24,000
Denver, Colo.....	753	512	680,000	454,000
Hutchinson, Kans.....	49	58	45,000	36,000
Joplin, Mo.....	25	15	38,000	40,000
Kansas City, Kans.....	25	13	32,000	698,000
Kansas City, Mo.....	191	124	193,000	809,000
Lincoln, Nebr.....	168	119	198,000	74,000
Oklahoma City, Okla.....	151	172	269,000	391,000
Omaha, Nebr.....	152	130	350,000	151,000
Pueblo, Colo.....	65	47	38,000	28,000
Salina, Kans.....	15	24	24,000	59,000
Shawnee, Okla.....	18	5	12,000	2,000
St. Joseph, Mo.....	21	9	17,000	11,000
Topeka, Kans.....	67	39	95,000	48,000
Tulsa, Okla.....	138	147	294,000	284,000
Wichita, Kans.....	208	227	569,000	292,000
November.....	2,196	1,763	\$ 3,133,000	\$ 3,753,000
October.....	2,942	2,504	3,842,000	3,379,000
Eleven months.....	25,243	22,377	43,852,000	33,086,000

Lumber

Board feet sales of lumber at reporting retail yards in the District both in November and in the first eleven months of 1939 were little changed from a year ago. Sales during the first five months of the year had been much above 1938 but this gain has been about offset by subsequent declines.

Lumber stocks at the close of November were little different from those either a month or a year earlier. Collections in November averaged 34.1 per cent as compared with 29.8 per cent a year ago.

Lumber trade at 152 retail yards in the District:

	Nov. 1939 per cent change from Oct. 1939	
	Oct. 1939	Nov. 1938
Sales of lumber, board feet.....	-3.5	+0.2
Sales of all materials, dollars.....	-2.4	+6.7
Stocks of lumber, board feet.....	+0.2	Zero
Outstandings, dollars.....	-0.1	-4.0

Life Insurance

Life insurance sales in the District in November were 2 per cent smaller but in the first eleven months of 1939 more than 3 per cent larger than in 1938.

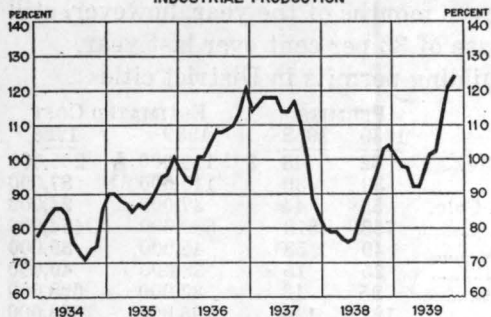
The Life Insurance Sales Research Bureau report:

	Nov. 1939	Change from	
	Oct. 1939	Oct. 1939	Nov. 1938
(In thousands of dollars)			
Colorado.....	4,754	-226	-71
Kansas.....	6,447	-163	-184
Missouri.....	17,277	+803	-271
Nebraska.....	5,533	+440	+243
New Mexico.....	1,071	-68	+97
Oklahoma.....	7,769	+151	-303
Wyoming.....	930	-198	-366
Seven states.....	43,781	+739	-855
United States.....	537,951	-6,040	-32,697

NATIONAL SUMMARY OF BUSINESS CONDITIONS

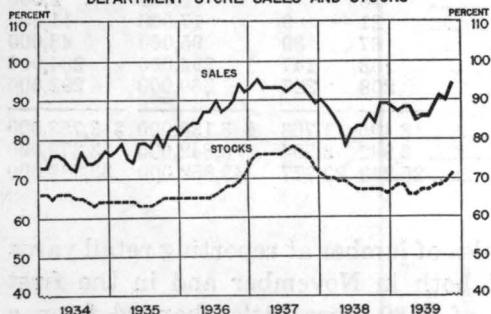
By the Board of Governors of the Federal Reserve System

INDUSTRIAL PRODUCTION



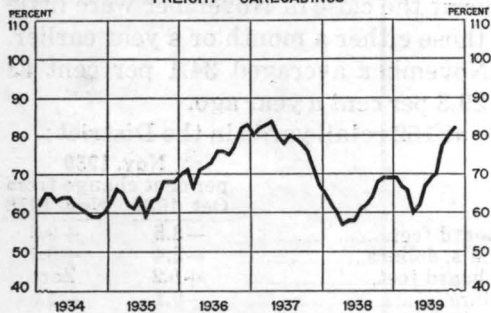
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average =100. By months, January, 1934, through November, 1939.

DEPARTMENT STORE SALES AND STOCKS



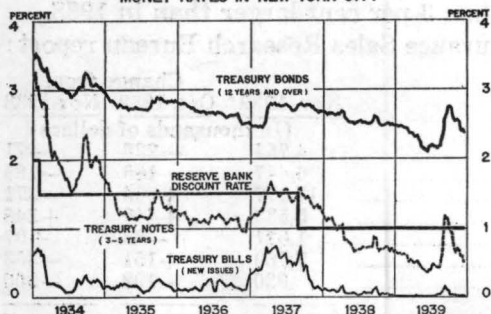
Indexes of value of sales and stocks, adjusted for seasonal variation, 1923-1925 average =100. By months, January, 1934, through November, 1939.

FREIGHT CARLOADINGS



Index of total loadings of revenue freight, adjusted for seasonal variation, 1923-1925 average =100. By months, January, 1934, through November, 1939.

MONEY RATES IN NEW YORK CITY



For weeks ending January 6, 1934, through December 16, 1939.

Following a rapid rise after the outbreak of the European war industrial activity continued at a high level in November and the first half of December. There was a considerable increase in distribution of commodities to consumers while prices of basic commodities, which had been steady during November, rose somewhat in the first two weeks of December.

PRODUCTION

The Board's seasonally adjusted index of industrial production advanced from 121 to 124 per cent in November, reflecting sustained activity at a period of the year when a decline is usual. Production of durable goods, which had advanced rapidly for several months, showed a further expansion. Record production of steel ingots continued in November and was followed by a less than seasonal decline in the first half of December. Automobile production increased in November, notwithstanding the fact that plants of one important company remained closed pending settlement of an industrial dispute. After this was settled at the end of November assemblies rose sharply. Retail sales of new automobiles were in large volume in November and at the end of the month dealers' stocks of new cars apparently were smaller than at the corresponding time in other recent years. Lumber production declined less than seasonally in November but plate glass production, which had reached a high level in October, showed a reduction.

Output of nondurable goods continued at a high level in November. At cotton and woolen mills activity increased somewhat further and was close to the record levels reached three years ago. Rayon production advanced to new high levels but at silk mills there was a sharp decline following substantial increases earlier this fall. Output of flour and sugar declined further from the levels reached in September while changes in activity at shoe factories and meat-packing establishments were largely seasonal in character.

Coal production in November declined somewhat from the high level reached in October. Output of crude petroleum increased further and iron ore shipments continued in exceptionally large volume until the Great Lakes' shipping season closed in the latter part of the month.

Value of construction contracts, as reported by the F. W. Dodge Corporation, increased in November following a sharp decline in October. In both months changes in total awards reflected principally fluctuations in the volume of contracts for public construction. Private residential awards declined somewhat less than seasonally in November, while awards for other private projects showed little change. Contracts for private work, both residential and nonresidential, were larger than a year ago, while those for public projects were below the high level of that time when contracts under the Public Works Administration program were being awarded in large volume.

EMPLOYMENT

Factory employment and pay rolls continued to increase in November, reflecting chiefly further sharp advances in industries producing steel, machinery, and other durable goods.

DISTRIBUTION

In November distribution of commodities to consumers increased considerably. The Board's seasonally adjusted index of department store sales, which had been around 90 in the three preceding months, advanced to 94, a level about the same as at the peak in 1937 when prices of commodities sold at department stores were generally somewhat higher than at present.

Freight carloadings showed less than the usual seasonal decrease from October to November and the Board's adjusted index increased from 80 to 82, which was only slightly under the recovery peak reached in the early part of 1937. Shipments of ore and miscellaneous freight declined less than is usual in November, while loadings of coal decreased more than seasonally from the relatively high October level.

COMMODITY PRICES

Prices of both industrial materials and foodstuffs advanced from the latter part of November to the middle of December. Wheat and silk prices rose considerably and there were smaller increases in cotton and hides. Prices of steel scrap and nonferrous metals, on the other hand, showed declines.

GOVERNMENT SECURITY MARKET

Prices of United States Treasury bonds advanced sharply during the last half of November to a level not far below the all-time high point of last June and remained steady during the first half of December.

BANK CREDIT

Total loans and investments at reporting member banks in 101 leading cities rose substantially during November and the first half of December, reflecting largely purchases of new United States Government securities. Commercial loans, which had been increasing since August, continued to rise until the third week in November. Deposits increased further.