

MONTHLY REVIEW

Agricultural and Business Conditions

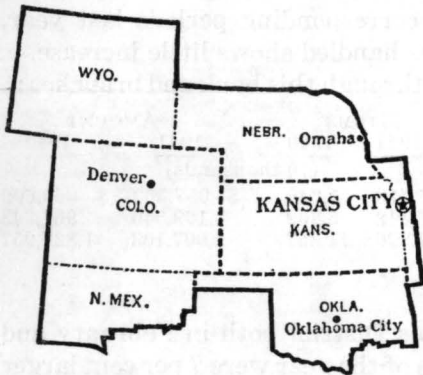
TENTH FEDERAL RESERVE DISTRICT

VOL. 26, No. 3

FEDERAL RESERVE BANK OF KANSAS CITY

MARCH 29, 1941

Business in the Tenth Federal Reserve District



Activities reflecting defense spending are showing large gains over a year ago. Increased employment and pay rolls, higher livestock prices, and very active construction are enlarging the flow of money income. As a reflection of this, wholesale sales in February were 11% and retail sales 8% above a year ago. Payments by check are up about the same amount.

Zinc is a very important war metal and recently the demand for lead has also been stronger. Lumber sales are 25% above last year reflecting the large amount of construction in progress.

Marketings of grain and livestock are affected by other factors. Hog marketings are much lighter than a year ago when low prices forced large numbers onto the market. Lighter livestock receipts naturally affect meat-packing operations.

Bank deposits and loans are much above a year ago but their investments are somewhat lower.

BUSINESS INDICATORS	FEBRUARY 1941 COMPARED WITH FEBRUARY 1940					2 MOS. 1941 COMPARED WITH 2 MOS. 1940										
	% DECREASE			% INCREASE		% DECREASE			% INCREASE							
	40	30	20	10	10	20	30	40	40	30	20	10	10	20	30	40
Finance																
Bank Debits.....																
F. R. Bk. Clearings..																
Mem. Bk. Loans.....																
Mem. Bk. Invest.....																
Demand Deposits.....																
Life Ins. Sales.....																
Failures (Liab.).....																
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 50 weekly reporting member banks in the Tenth District continued to rise from the third week of February to the third week of March. Most of the increase represented a further gain in commercial loans and holdings of open market paper, and there was also some increase in security loans. Investments rose rather sharply during this period. Holdings of Treasury notes declined but there was a corresponding increase in holdings of Treasury bills, and holdings of Government bonds, obligations guaranteed by the Government, and other securities increased as well. Loans are now at a level about 19 per cent above a year ago, while investments are about 2 per cent smaller than at this time last year.

Deposits at these reporting member banks have risen further, adjusted demand deposits and interbank deposits both reaching an all-time high near the middle of March. Their reserve balances carried at this bank as a consequence also rose to a new record level. Adjusted demand deposits are 12, interbank deposits 4, and reserve balances 9 per cent higher than a year ago. Reporting banks are carrying very large correspondent balances at other banks.

Principal items of condition of 50 member banks:

	Change from		
	Mar. 19 1941	Feb. 19 1941	Mar. 20 1940
	(In thousands of dollars)		
Loans and investments—total.....	733,919	+14,206	+48,794
Loans—total.....	356,441	+5,155	+55,870
Coml., indust., agric.....	216,684	+3,971	+37,345
Open market paper.....	22,090	+352	+1,280
To security brokers and dealers.....	3,727	+673	-39
Other to purchase or carry secur.....	10,105	-33	+3
Real estate loans.....	31,443	+23	+3,023
Loans to banks.....	53	+7	-77
All other loans.....	72,339	+162	+14,335
Investments—total.....	377,478	+9,051	-7,076
U. S. Treasury bills.....	20,820	+8,170	+8,352
U. S. Treasury notes.....	49,301	-8,943	-16,832
U. S. Govt. bonds.....	96,303	+1,338	-816
Oblig. guar. by U. S. Govt.....	82,583	+7,214	+16,236
Other securities.....	128,471	+1,272	-14,016
Reserve with F. R. Bank.....	207,510	-1,950	+17,306
Balances with domestic banks.....	328,774	-5,094	+2,978
Demand deposits—adjusted.....	596,811	+3,083	+63,010
Time deposits.....	145,594	+1,713	+140
U. S. Govt. Deposits.....	8,715	+46	-15,035
Interbank deposits.....	447,167	+2,667	+18,097

Reserve Bank Operations

Note circulation of this bank, after rising rapidly since early last fall and reaching a new record level of about 214½ million dollars in the third week of February, has since tended to decline. Part of this decline is believed to represent the investment in Government securities of funds formerly held by public officials in cash. Circulation of about 212 million dollars in the third week of March is 30 million, or 16 per cent, above a year ago and 43 million, or 26 per cent, above two years ago.

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

	Change from		
	Mar. 19 1941	Feb. 19 1941	Mar. 20 1940
	(In thousands of dollars)		
Total reserves.....	452,690	+1,340	+73,007
Bills discounted.....	183	-191	+47
Industrial advances.....	72	Zero	-46
Commit. to make indust. adv.....	35	Zero	-450
U. S. Govt. sec., direct & guar.....	109,695	Zero	-6,169
Total assets.....	606,364	+6,052	+72,569
F. R. notes in circulation.....	211,892	-2,100	+29,619
Member bank reserve deposits.....	286,455	-253	+22,875

Dollar volume of check collections in February was 11 and in the first two months of year 13 per cent larger than in the corresponding periods last year. The number of items handled shows little increase.

Check collections through this bank and branches:

	ITEMS		AMOUNT	
	1941	1940	1941	1940
	(In thousands)			
February.....	5,618	5,648	\$ 957,563	\$ 860,609
January.....	6,112	5,709	1,109,540	967,348
Two months.....	11,730	11,357	2,067,103	1,827,957

Bank Debits

Bank debits in this District both in February and the first two months of the year were 7 per cent larger than last year, while for the whole country the volume of payments by check has increased approximately 10 per cent in 1941. Debits showed somewhat less than the usual seasonal decline from January to February.

Payments by check in thirty District cities:

	Feb.		Change from 1940	
	1941	2 Mos. 1941	Feb.	2 Mos.
	(Thousand dollars)		(Per cent)	
Albuquerque, N. M.....	18,288	37,747	+24.2	+19.3
Atchison, Kans.....	2,732	5,897	+2.9	+12.8
Bartlesville, Okla.....	25,693	52,447	-6.3	-13.2
Casper, Wyo.....	6,125	13,501	+7.5	+12.3
Cheyenne, Wyo.....	9,107	18,861	+35.3	+25.5
Colo. Springs, Colo.....	13,824	26,795	+19.5	+8.6
Denver, Colo.....	158,905	330,704	+13.1	+13.2
Emporia, Kans.....	2,996	6,811	+12.3	+19.4
Enid, Okla.....	8,593	18,895	-5.7	+0.1
Fremont, Nebr.....	2,712	5,867	+8.3	+13.1
Gr. Junction, Colo.....	3,021	6,743	-11.2	-4.2
Guthrie, Okla.....	1,393	3,144	+5.1	+12.8
Hutchinson, Kans.....	9,879	20,462	-15.8	-7.8
Indep., Kans.....	2,650	5,714	+8.0	+10.2
Joplin, Mo.....	8,575	19,566	+2.6	+0.9
Kansas City, Kans.....	15,373	38,212	+5.0	+9.9
Kansas City, Mo.....	290,744	630,441	+8.0	+7.3
Lawrence, Kans.....	3,219	6,785	+6.2	+3.4
Lincoln, Nebr.....	25,459	55,088	-1.0	+1.8
Muskogee, Okla.....	7,522	16,878	+12.9	+18.4
Okla. City, Okla.....	105,377	216,595	+9.9	+4.5
Oklmulgee, Okla.....	2,380	5,101	-3.5	-1.1
Omaha, Nebr.....	140,228	302,030	+7.7	+10.6
Pittsburg, Kans.....	3,898	8,233	+4.3	+6.9
Pueblo, Colo.....	14,266	29,236	+25.1	+18.2
Salina, Kans.....	7,644	16,243	+8.2	+4.2
St. Joseph, Mo.....	25,660	59,436	+7.1	+6.0
Topeka, Kans.....	18,599	41,037	-17.4	-8.4
Tulsa, Okla.....	120,651	255,297	-3.4	-0.6
Wichita, Kans.....	52,076	109,047	+20.7	+26.0
District, 30 cities.....	1,107,589	2,362,813	+7.0	+7.3
U. S., 274 cities.....	35,783,000	76,916,000	+11.1	+9.9

Trade

RETAIL SALES

Dollar volume of sales at reporting department stores in the District in February was 8 per cent above a year ago, despite one less business day this year than last. Toward the end of February, however, sales showed progressively smaller increases over last year, and in the first two weeks of March they dropped slightly below a year ago, reflecting no doubt the influence of the Easter date, which last year fell on March 24 and this year is three weeks later on April 13. Retail prices, according to the Fairchild Index, are about 2 per cent higher than a year ago.

Stocks of merchandise on hand at the close of February were slightly under a year ago, but the amount of orders outstanding, including purchases for reserve stocks not yet delivered and all orders placed and confirmed for goods not yet included in stocks, was 21 per cent larger than last year. Thus the total inventory position appears to be somewhat heavier.

Department store sales and stocks in leading cities:

	No. of Stores	SALES		STOCKS
		Feb. '41 comp. to Feb. '40	2 Mos. '41 comp. to 2 Mos. '40	Feb. 28, '41 comp. to Feb. 29, '40
		(Per cent increase or decrease)		
Denver.....	7	+10	+9	+0
Hutchinson.....	3	+13	+7	....
Topeka.....	3	+16	+13	....
Wichita.....	4	+7	+9	....
Kansas City.....	8	+7	+10	+6
Omaha.....	4	-2	+2	....
Oklahoma City.....	6	+11	+15	-1
Tulsa.....	6	+7	+17	+2
Other cities.....	34	+9	+10	-5
District.....	75	+8	+10	-1

Total retail sales in the District in February were 8 per cent above a year ago. Sales of automobiles, furniture, hardware, jewelry, and lumber showed the largest increases.

Retail sales reported by the Bureau of the Census:

	Feb. 1941 per cent change from Feb. 1940						
	Colo.	Kans.	Mo.	Nebr.	N.Mex.	Okla.	Wyo.
Apparel.....	-5	+6	+2	+6	+10	-1	+34
Automobile.....	+20	+31	+40	+27	+7	+23	+33
Department.....	+5	+9	+3	-5	....	+14	....
Drug.....	+0	+3	+3	+2	+6	+5	-4
Dry goods.....	-1	+2	+13	-1	....	+2	....
Food.....	-4	+5	-0	+1	-2	+1	-1
Furniture.....	+8	+16	+24	+10	....	+25	....
General.....	-4	+9	+8	-5	+2	-3	+2
Hardware.....	+14	+18	+31	+2	....	+6	....
Jewelry.....	+14	+9	+22	+12	....	+29	....
Lbr. & mtl's.....	+26	+12	+36	+12	+17	+17	+7
Miscellaneous..	-8	+8	+6	+12	+6	-14	-5
Total.....	+6	+12	+8	+2	+5	+11	+10

WHOLESALE SALES

The value of wholesale sales in this District in February was 11 per cent larger than a year ago. Virtually all lines reported sizable gains, sales of groceries and paper alone falling below last year. Wholesale inventories appear to have been built up rather rapidly

in recent months. Last October, stocks had been about 3 per cent under a year earlier but by the end of February they were 6 per cent above a year earlier.

Wholesale sales and stocks reported by the Bureau of the Census for this District:

	No. of Firms	SALES		STOCKS
		Feb. '41 comp. to Feb. '40	2 Mos. '41 comp. to 2 Mos. '40	Feb. 28, '41 comp. to Feb. 29, '40
		(Per cent increase or decrease)		
Auto. supplies.....	15	+15.9	+0.7	+7.0
Clothing.....	3	Zero	....	-7.1
Drugs.....	4	+6.5	+6.4	-1.5
Dry goods.....	3	+15.2	+9.9	....
Electrical goods....	14	+21.5	+24.5	+15.6
Farm products.....	9	+12.2	+7.2	+54.7
Furniture.....	3	+28.8	+25.2	....
Groceries.....	27	-1.2	+4.0	+2.8
Hardware—total..	(17)	+33.3	+27.6	+11.8
General.....	4	+24.6	+14.2	+8.2
Industrial.....	6	+52.8	+49.9	+19.7
Plbg. & htg.....	7	+14.1	+20.6	+9.8
Jewelry.....	3	+45.2	....	+7.0
Machinery.....	5	+64.5	+47.6	+30.0
Paper and prod....	3	-22.5	....	....
Tobacco and prod..	4	+7.7	+7.8	....
All other lines.....	14	+18.5	+21.6	-1.2
Total.....	124	+11.2	+12.1	+6.1

Crops

Farmers' planting intentions as of March 1 indicate that the acreage to be sown to crops in the District this spring will be slightly smaller than in 1940, about offsetting the increase in the acreage sown to winter wheat last fall. Increased seedings of oats, barley, and tame hay this spring will only partially offset a further decrease in corn acreage and a sharp decline in grain sorghums that last year because of dry weather were extensively planted on abandoned winter wheat land. However, the acreage to be sown to feed grains except corn is generally much above the average from 1930 to 1939 and farmers appear to be making ample provision for increasing numbers of cattle and sheep. The intended corn acreage is 30 per cent below average and in some sections is only half of normal. Low prices following heavy production last year largely account for a smaller prospective acreage of white potatoes, dry beans, soybeans, and flaxseed.

Department of Agriculture estimates of spring planting intentions in states of this District:

	Indicated	Planted	Planted	Average
	1941	1940	1939	1930-39
	(In thousands of acres)			
Corn.....	16,922	17,268	18,433	24,442
Spring wheat.....	534	722	606	940
Oats.....	7,027	6,846	6,920	7,342
Barley.....	4,501	4,194	3,942	2,378
Tame hay.....	8,008	7,904	7,133	7,738
Grain sorghums.....	5,069	6,284	4,722	4,528
Dry beans.....	607	688	654	704
White potatoes.....	304	314	334	391
Sweet potatoes.....	37	36	37	35
Soybeans.....	556	594	470	481
Cowpeas.....	220	220	193	179
Flaxseed.....	177	181	106	67

The wheat prospect continues very favorable although damage from the Armistice Day freeze and from subsequent freezing and thawing is becoming more apparent in northcentral Kansas, southcentral Nebraska, and northwestern Missouri and some loss from high winds has occurred in western Kansas, northwestern Oklahoma, and eastern New Mexico. Topsoil moisture generally is plentiful and long deficient subsoil reserves in most sections are now largely restored. Warm, dry weather is needed both for wheat and to enable farmers to proceed with spring planting, which at the middle of March was from two to three weeks behind schedule.

Following an extremely wet January, precipitation during February in Nebraska was about 30, Kansas 25, Missouri 70, and in Colorado 20 per cent below normal, while in Oklahoma it was 74 and in New Mexico 20 per cent above normal. Wyoming has had a deficiency ranging from 30 to 40 per cent for three consecutive months.

Rainfall

	Feb. 1941		2 Mos. 1941	
	Total	Normal	Total	Normal
	(In inches)			
COLORADO				
Denver.....	.15	.53	.86	.93
Leadville.....	1.17	1.42	2.31	2.64
Pueblo.....	.26	.47	.60	.78
Lamar.....	.10	.60	.75	.86
Garnett.....	.18	.19	1.17	.32
Steamboat Springs....	1.71	2.41	3.80	4.63
KANSAS				
Topeka.....	.33	1.51	4.12	2.45
Iola.....	.73	1.47	5.24	2.80
Concordia.....	.89	.88	2.04	1.49
Salina.....	.79	1.08	2.45	1.70
Wichita.....	1.09	1.25	2.62	2.03
Hays.....	.85	.82	1.93	1.15
Goodland.....	.31	.58	1.01	.78
Dodge City.....	1.37	.77	2.34	1.18
Elkhart.....	.66	.56	1.60	.84
MISSOURI				
St. Joseph.....	.20	1.67	3.56	2.95
Kansas City.....	.58	1.75	5.49	2.94
Joplin.....	.72	1.68	3.28	3.84
NEBRASKA				
Omaha.....	.59	.89	1.62	1.59
Lincoln.....	.78	.95	2.35	1.59
Norfolk.....	.78	.88	2.37	1.47
Grand Island.....	.39	.80	1.26	1.35
McCook.....	.38	.66	1.84	1.00
North Platte.....	.36	.55	.66	.94
Bridgeport.....	.39	.48	.90	.87
Valentine.....	.44	.58	.93	1.06
NEW MEXICO				
Clayton.....	.58	.50	.95	.72
Santa Fe.....	.84	.75	2.07	1.42
Farmington.....	.77	.76	2.19	1.30
OKLAHOMA				
Tulsa.....	2.55	1.66	4.12	3.57
McAlester.....	3.58	2.20	5.99	5.07
Oklahoma City.....	1.83	1.11	2.95	2.30
Pauls Valley.....	2.58	1.50	5.36	3.09
Hobart.....	2.87	.96	3.81	1.72
Enid.....	1.86	1.18	3.07	2.24
Woodward.....	2.45	1.08	4.31	1.68
WYOMING				
Cheyenne.....	.32	.64	.65	1.06
Casper.....	.06	.85	.53	1.51
Lander.....	.66	.63	.81	1.19
Sheridan.....	.10	.70	.29	1.55

Grain Marketing

Marketings of wheat and corn in February were little different from a year ago, with receipts of wheat about 30 and corn 40 per cent below the February ten-year average. Marketings of oats continue much under a year ago and far below normal.

February grain receipts at five District markets:

	Wheat	Corn	Oats
		(In bushels)	
Hutchinson.....	850,000	1,000	....
Kansas City.....	2,830,000	707,000	118,000
Omaha.....	254,000	633,000	56,000
St. Joseph.....	115,000	188,000	294,000
Wichita.....	1,091,000	....	....
Feb. 1941.....	5,140,000	1,529,000	468,000
Jan. 1941.....	4,382,000	2,075,000	406,000
Feb. 1940.....	5,310,000	1,497,000	849,000
2 Mos. 1941.....	9,522,000	3,604,000	874,000
2 Mos. 1940.....	8,431,000	3,266,000	1,671,000

Cash wheat prices declined almost steadily from early January to the middle of February, falling to their lowest point since last September. Notwithstanding burdensome supplies in this country and the generally bright outlook for the new crop, wheat prices recovered sharply in the latter part of February and the first half of March, influenced chiefly by trade reports of the possibility of a substantially higher Government loan rate for wheat in 1941. Cash corn prices during this period showed little change. Prices of both wheat and corn are above loan levels but not enough, after deducting carrying charges, to encourage an appreciable amount of liquidation. This situation contrasts with that of a year ago when producers were actively redeeming wheat and selling it at a profit.

The lower range of cash grain prices at Kansas City:

	Mar. 24	Feb. 28	Jan. 31	Feb. 29
	1941	1941	1941	1940
No. 1 hd., dk. wheat, bu..	\$.85	\$.80	\$.79 1/4	\$1.01 1/2
No. 2 mixed corn, bu.....	.60 1/2	.58	.58 3/4	.58 3/4
No. 2 white oats, bu.....	.36 3/4	.35 1/4	.35 3/4	.42 1/2
No. 2 rye, bu.....	.50	.46	.45	.67
No. 2 barley, bu.....	.52	.48	.48 1/2	.53
No. 2 white kafir, cwt....	.87	.83	.90	1.19

Livestock

MARKETINGS

Marketings of cattle in February continued moderately above and of hogs sharply below last year, while receipts of calves and sheep were little changed from a year ago. An increase of 5 per cent in the number of cattle on farms in this area, considerably heavier feeding operations, and the muddy condition of feed lots were factors in the larger cattle marketings, while a decrease of about 18 per cent in hog numbers on farms is reflected in the smaller hog receipts. Since the first of the year, shipments of sheep and lambs to market from the northern Colorado, Arkansas Valley, and Scottsbluff feeding sections of Nebraska and Wyoming have been about a third under last year, but this decrease has been about offset by

heavier marketings of lambs from Kansas wheat pastures. Marketings of cattle in February were 10, hogs 19, and calves and sheep 23 per cent below the average of the past ten years.

February livestock receipts at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	21,300	4,602	48,488	77,281
Kansas City.....	69,952	8,915	147,834	108,922
Oklahoma City.....	24,097	7,165	43,500	6,253
Omaha.....	83,967	5,944	149,486	109,812
St. Joseph.....	26,103	3,450	63,552	95,605
Wichita.....	18,122	3,359	24,383	20,970
Feb. 1941.....	243,541	33,435	477,243	418,843
Jan. 1941.....	322,320	51,099	560,363	499,445
Feb. 1940.....	228,213	33,643	569,151	428,537
2 Mos. 1941.....	565,861	84,534	1,037,606	918,288
2 Mos. 1940.....	535,144	88,902	1,384,116	887,288

PRICES

Despite a sharply curtailed marketward movement as compared with the preceding month, prices of better grades of beef steers declined during February and early March, reflecting chiefly seasonal declines in wholesale meat prices. The lower trend on slaughter cattle adversely affected values of fleshy feeder cattle, but prices of the lower grades of fed steers were about steady and stocker cattle prices continued to strengthen with the approach of the grazing season. Hog prices, which had recovered from a six-year low of \$4.85 a hundredweight in April, 1940, to \$8.70 at the middle of last January, have since declined somewhat but are still at a profitable feeding level in relation to corn. The hog price decline in recent weeks has flattened out because of light receipts and strength in lard prices. Prices of fat lambs, stimulated by an active demand for wool, have advanced strongly.

Top carlot livestock prices at Kansas City:

	Mar. 24 1941	Feb. 1941	Jan. 1941	Feb. 1940	Feb. 1939	Feb. 1938
	(In dollars per hundredweight)					
Beef steers.....	11.65	12.50	13.75	10.50	11.50	9.25
Stocker cattle.....	12.75	12.00	12.00	10.50	9.75	8.25
Feeder cattle.....	11.40	11.50	12.25	9.00	10.00	8.25
Calves.....	12.00	13.00	13.00	11.00	10.50	10.00
Hogs.....	8.05	7.90	8.70	5.35	8.15	8.85
Sheep.....	9.50	9.75	9.50	7.75	7.75	7.00
Fed lambs.....	10.75	10.85	10.65	9.75	9.15	8.35

STOCKERS AND FEEDERS

Countryward shipments of stocker and feeder cattle and sheep from public markets in February continued in substantially larger volume than a year ago. Shipments of cattle were 12 and sheep 45 per cent above the February ten-year average.

February stocker-feeder shipments:

	Cattle	Calves	Hogs	Sheep
Denver.....	6,403	2,282	192	19,336
Kansas City.....	24,866	2,462	1,945	15,467
Omaha.....	17,315	1,471	1,181	16,487
St. Joseph.....	6,392	867	898	12,582
Feb. 1941.....	54,976	7,082	4,216	63,872
Jan. 1941.....	79,470	18,844	4,464	81,741
Feb. 1940.....	47,303	7,710	6,074	39,377
2 Mos. 1941.....	134,446	25,926	8,680	145,613
2 Mos. 1940.....	111,127	26,950	10,345	98,124

Ranges and pastures quite generally are in good condition and prospects for early spring grass are excellent except in Wyoming where winter moisture has been far below normal. Considerable supplemental feeding of livestock was necessary where ranges were covered with snow, and grain fields in many sections of Kansas and Oklahoma have been too muddy to be pastured, but feed supplies generally are abundant and relatively cheap. Cattle and sheep have wintered in good condition and death losses have been light. The unusually favorable outlook for spring and summer grass and stock water has resulted in a strong demand for stocker and feeder cattle. Favorable conditions in Texas may hold down the spring movement of cattle to Oklahoma and Kansas pastures.

WOOL

Wool production in the District in 1940 was about 4 per cent larger than in 1939, prices were sharply higher, and cash income from wool increased 35 per cent. Contracting for the 1941 clip was quite active in western states of the District during February at prices around 30 cents a pound, grease basis, as compared with 26 a year earlier and 18 two years ago.

Department of Agriculture shorn wool estimates:

	PRODUCTION		PRICE		INCOME	
	1940	1939	1940	1939	1940	1939
	(000 pounds)		(cents per lb.)		(000 dollars)	
Colorado.....	14,170	13,244	28	22	3,968	2,914
Kansas.....	4,053	3,753	25	18	1,013	676
Missouri.....	9,928	9,387	30	23	2,978	2,159
Nebraska.....	3,274	3,157	24	18	786	568
New Mexico.....	15,944	15,168	26	21	4,145	3,185
Oklahoma.....	2,144	2,106	22	16	472	337
Wyoming.....	33,271	32,932	28	21	9,316	6,916
Seven states.....	82,784	79,747	27	21	22,678	16,755
United States..	387,763	377,397	28	22	110,058	84,324

Farm Income

Cash farm income in the District in January was 5 per cent less than in the corresponding month last year owing to smaller Government payments. Income from farm marketings was 9 per cent larger than last year but Government payments, which in January a year ago had been exceptionally large, declined 43 per cent. A rather large drop in farm income occurred in Wyoming, Colorado, Kansas, and Missouri, while Oklahoma income gained 5 per cent.

Department of Agriculture farm income estimates:

	Jan.	Jan.	Change from 1940 Jan. (Per cent)
	1941	1940	
	(Dollars)		
Colorado.....	10,240,000	11,947,000	-14.3
Kansas.....	26,746,000	29,888,000	-10.5
Missouri.....	27,002,000	28,523,000	-5.3
Nebraska.....	26,977,000	27,500,000	-1.9
New Mexico.....	3,672,000	3,606,000	+1.8
Oklahoma.....	15,552,000	14,749,000	+5.4
Wyoming.....	2,427,000	2,881,000	-15.8
Seven states.....	112,616,000	119,094,000	-5.4
United States..	754,264,000	742,576,000	+1.6

Meat Packing

Packers' purchases of cattle and sheep in February were little different from a year ago but purchases of calves were 7 and of hogs 13 per cent less. As in the preceding month, a heavy country demand for market supplies of stocker and feeder animals limited the proportion of cattle and sheep going to immediate slaughter, while hog slaughter has begun to show the effect of greatly curtailed production last year. The February slaughter of cattle was 10, calves 33, hogs 12, and sheep 15 per cent below the ten-year average.

February packers' purchases at District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	12,177	2,324	36,129	18,144
Kansas City.....	36,929	6,156	138,139	77,660
Oklahoma City.....	11,589	5,220	36,167	5,269
Omaha.....	56,595	4,299	130,910	79,827
St. Joseph.....	18,362	2,547	58,971	78,600
Wichita.....	6,718	1,940	21,123	20,268
Feb. 1941.....	142,370	22,486	421,439	279,768
Jan. 1941.....	179,310	26,236	487,031	332,832
Feb. 1940.....	144,403	24,160	482,451	280,128
2 Mos. 1941.....	321,680	48,722	908,470	612,600
2 Mos. 1940.....	332,804	60,329	1,212,864	602,786

Cold Storage Holdings

United States cold storage stocks of most commodities showed about the usual seasonal change during February. March 1 stocks of beef were 15, pork 32, poultry 35, and cheese 38 per cent above and of lard more than double the average for that date during the past five years, but holdings of butter were only half of average. Lard stocks have reached a new all-time high and poultry stocks are the largest of record for this season of the year.

United States cold storage holdings:

	Mar. 1 1941	Feb. 1 1941	Mar. 1 1940	Aver. '36-'40
	(In thousands of units)			
Beef, lbs.....	99,097	108,622	74,708	86,499
Pork, lbs.....	790,385	739,927	650,653	600,510
Lamb and mutton, lbs.....	4,410	4,699	4,488	4,631
Poultry, lbs.....	163,347	191,410	144,759	121,025
Miscellaneous meats, lbs.....	88,793	98,283	106,654	89,655
Lard, lbs.....	317,451	299,644	256,640	156,020
Eggs, shell, cases.....	298	297	81	172
Eggs, frozen (case equiv.)	1,289	1,538	1,088	1,440
Butter, creamery, lbs.....	16,520	29,715	18,366	32,242
Cheese, all varieties, lbs.....	119,590	125,308	83,050	86,572

Flour Milling

Southwestern flour production both in February and the first two months of the year was 6 per cent above last year as compared with a gain of only 2 per cent for the whole country. Output at southwestern mills was especially heavy, exceeding the ten-year average by 10 per cent. The relatively high level of milling operations, 70 per cent of capacity in February, resulted mainly from an increasing volume of small, hand-to-mouth orders for immediate or nearby delivery as uncertainties caused by the war and bearish wheat supplies have discouraged forward buying.

Flour output reported by the Northwestern Miller:

	Feb. 1941	2 Mos. 1941	Change from 1940	
	(In barrels)		Feb.	2 Mos.
			(Per cent)	
Kansas City.....	523,000	1,056,000	+3.2	-2.3
Salina.....	178,000	382,000	-4.3	-3.3
Wichita.....	167,000	336,000	+41.5	+27.8
Other cities.....	1,122,000	2,386,000	+5.4	+8.7
Southwest.....	1,990,000	4,160,000	+6.1	+5.7
United States*.....	5,338,000	11,004,000	+1.5	+1.7

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

Petroleum

Crude oil production in the District in February, although 5 per cent above the ten-year average, was down 3 per cent from a year ago and output for the whole country was down twice that amount. Crude oil prices are firm but refinery operations are above last year and recent large additions to gasoline storage have tended to accentuate weakness in gasoline prices. Crude production in Colorado, Kansas, and Wyoming remains much above and in Oklahoma and New Mexico much below last year. Field development has been especially active in Kansas.

Oil production reported by the American Petroleum Institute and the Department of the Interior:

	Feb. 1941	2 Mos. 1941	Change from 1940	
	(In barrels)		Feb.	2 Mos.
			(Per cent)	
Colorado.....	102,000	213,000	+20.0	+19.7
Kansas.....	5,527,000	11,636,000	+8.2	+11.9
Nebraska.....	94,000	175,000	....	....
New Mexico.....	2,862,000	5,996,000	-14.9	-12.1
Oklahoma.....	11,533,000	24,457,000	-8.9	-5.2
Wyoming.....	2,169,000	4,656,000	+19.6	+20.9
Six states.....	22,287,000	47,133,000	-3.2	+0.2
United States.....	101,587,000	212,234,000	-6.5	-4.3

Stocks of crude petroleum produced in this District are relatively low and have shown little change since early in 1940. Petroleum imports, which had shown a large gain during 1940, continue to increase due to further reductions in European and eastern hemisphere markets for crude and refined products of South American countries and Mexico.

Coal

Output of bituminous coal in the District in February was 6 per cent below a year ago, while for the whole country production gained nearly 6 per cent. District output so far in 1941 had declined 12 per cent.

Bituminous coal production estimated from reports of the Department of the Interior:

	Feb. 1941	2 Mos. 1941	Change from 1940	
	(In tons)		Feb.	2 Mos.
			(Per cent)	
Colorado.....	600,000	1,345,000	-10.8	-16.1
Kans. and Mo.....	701,000	1,474,000	-7.0	-14.1
New Mexico.....	102,000	209,000	Zero	-7.9
Oklahoma.....	167,000	390,000	-8.7	-13.9
Wyoming.....	478,000	1,050,000	+0.2	-4.7
Six states.....	2,048,000	4,468,000	-6.4	-12.4
United States.....	41,450,000	85,520,000	+5.5	+1.5

Zinc and Lead

Production and shipments of zinc and lead in the Tri-State mining district are running well above a year ago. Although producers for some time previous had been holding back zinc supplies in anticipation of a price rise, February shipments of zinc were 12 and of lead 31 per cent larger than last year and were about equal to the current rate of production. Stocks of these ores continue very low. Demand for zinc is strong, but zinc prices have been unchanged since last September. Lead prices advanced about the middle of February and again early in March.

February ore shipments from the Tri-State district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Kansas.....	10,324	\$ 496,928	1,764	\$115,358
Missouri.....	1,883	90,783	226	14,753
Oklahoma.....	21,417	1,033,572	2,124	138,887
Feb. 1941.....	33,624	\$1,621,283	4,114	\$268,998
Jan. 1941.....	35,822	1,727,244	3,811	245,488
Feb. 1940.....	29,930	1,063,058	3,137	184,521
2 Mos. 1941.....	69,446	3,348,527	7,925	514,486
2 Mos. 1940.....	63,505	2,334,785	6,470	399,634

Employment and Pay Rolls

Employment in the District in February was nearly 5 and pay rolls more than 9 per cent larger than at the same time a year ago.

Preliminary figures of the Department of Labor:

	EMPLOYMENT		PAY ROLLS	
	Feb. 1941	2 Mos. 1941	Feb. 1941	2 Mos. 1941
	(Per cent change from year ago)			
Colorado.....	+2.0	+2.8	+4.5	+3.9
Kansas.....	+8.8	+8.3	+10.3	+9.2
Missouri.....	+4.9	+4.2	+11.8	+9.6
Nebraska.....	+1.2	-0.5	+4.1	+1.5
New Mexico.....	+21.8	+18.4	+34.0	+28.9
Oklahoma.....	+2.5	+2.6	+4.1	+4.3
Wyoming.....	+0.7	+2.5	-0.1	+4.4
Seven states.....	+4.6	+4.1	+9.2	+7.7

Building

Construction awards in the Kansas City area in February were 29 per cent above a year ago, reflecting chiefly larger awards for public works construction. Awards for residential building and for utility construction also continue above last year, but awards for nonresidential building in February, for the first time in recent months, dropped below a year earlier, mainly because of smaller awards for manufacturing buildings. In the first half of March, awards were 18 per cent above a year ago.

Construction figures of F. W. Dodge Corporation:

	Feb. 1941		2 Mos. 1941		Change from 1940	
	(Thousand dollars)	(Per cent)	Feb.	2 Mos.	Feb.	2 Mos.
Residential building..	3,107	6,142	+15.0	+36.7		
Nonresidential bldg...	2,804	6,261	-27.1	+13.9		
Public wks. construc..	4,082	9,459	+166.4	+180.7		
Utility construction..	710	2,663	+246.3	+208.2		
Kansas City area.....	10,703	24,525	+29.1	+72.4		
37 Eastern states.....	270,373	575,578	+34.8	+45.1		

The value of building permits issued in reporting District cities both in February and in the first two months of the year was about 16 per cent larger than in the corresponding periods of last year. The increase is due chiefly to sharp gains at the larger centers.

Value of building permits issued in District cities:

	Feb. 1941		2 Mos. 1941		Change from 1940	
	(Dollars)	(Per cent)	Feb.	2 Mos.	Feb.	2 Mos.
Albuquerque, N. M....	218,000	449,000	+32.1	+43.9		
Cheyenne, Wyo.....	95,000	190,000	-20.8	+31.0		
Colo. Springs, Colo....	53,000	78,000	+20.5	+44.4		
Denver, Colo.....	902,000	1,838,000	+73.8	-2.8		
Hutchinson, Kans....	20,000	45,000	Zero	+32.4		
Joplin, Mo.....	12,000	42,000	-76.9	-31.1		
Kansas City, Kans....	38,000	129,000	-83.9	-54.7		
Kansas City, Mo.....	298,000	541,000	+48.3	+119.0		
Lincoln, Nebr.....	66,000	136,000	-58.5	-60.3		
Okl. City, Okla.....	368,000	781,000	-10.5	+30.8		
Omaha, Nebr.....	301,000	433,000	+133.3	+148.9		
Pueblo, Colo.....	63,000	132,000	Zero	+8.2		
Salina, Kans.....	24,000	39,000	-57.1	-41.8		
Shawnee, Okla.....	50,000	61,000	+194.1	+221.1		
St. Joseph, Mo.....	33,000	49,000	+13.8	+48.5		
Topeka, Kans.....	58,000	126,000	-20.5	-51.7		
Tulsa, Okla.....	383,000	710,000	+0.5	+29.3		
Wichita, Kans.....	366,000	532,000	+71.8	+123.5		
District, 18 cities.....	3,348,000	6,311,000	+15.9	+16.2		

Lumber

Board feet lumber sales at reporting retail yards in the District in February were 25 per cent larger than a year ago. During the preceding four months sales had been more than 50 per cent above the corresponding period a year earlier. Dollar sales of all materials in February were 16 per cent larger than last year.

Stocks of lumber continue to increase and at the close of February they were 13 per cent above a year ago. Collections show moderate improvement.

Lumber trade at 151 chain retail yards:

	Feb. 1941	
	Jan. 1941	Feb. 1940
Sales of lumber, board feet.....	-17.5	+25.0
Sales of all materials, dollars.....	-5.5	+16.1
Stocks of lumber, board feet.....	+0.6	+13.1
Outstandings, dollars.....	+1.4	+9.6

Life Insurance

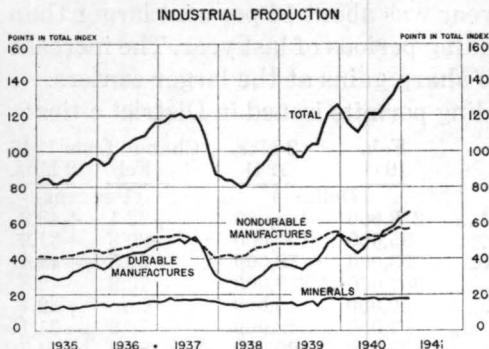
Life insurance sales in the District in February were 4 per cent above a year ago but otherwise were the smallest for the month in many years.

The Life Insurance Sales Research Bureau report:

	Feb. 1941		2 Mos. 1941		Change from 1940	
	(Thousand dollars)	(Per cent)	Feb.	2 Mos.	Feb.	2 Mos.
Colorado.....	4,319	8,391	+5	+0		
Kansas.....	5,269	10,923	-1	+6		
Missouri.....	15,040	29,523	+5	+2		
Nebraska.....	5,006	9,545	+14	+3		
New Mexico.....	939	1,821	-16	-10		
Oklahoma.....	6,815	13,245	+4	+3		
Wyoming.....	820	1,696	-1	+3		
Seven states.....	38,208	75,144	+4	+2		
United States.....	537,557	1,060,319	+5	+3		

NATIONAL SUMMARY OF BUSINESS CONDITIONS

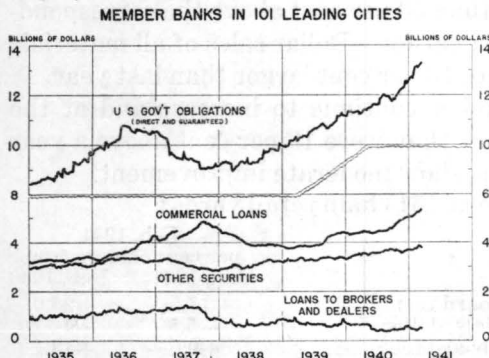
By the Board of Governors of the Federal Reserve System



Federal Reserve index of physical volume of production, adjusted for seasonal variation, 1935-39 average=100. Subgroups shown are expressed in terms of points in the total index.



Bureau of Labor Statistics' indexes based on 12 foodstuffs and 16 industrial materials, August, 1939=100.



Wednesday figures, January 2, 1935, through March 12, 1941. Commercial loans, which include industrial and agricultural loans, represent prior to May 19, 1937, so-called "Other loans" as then reported.



Weekly averages of daily yields of 3- to 5-year tax-exempt Treasury notes, Treasury bonds callable after 12 years, and average discount on new issues of Treasury bills offered within week.

Industrial activity and employment increased further in February and the first half of March. Buying by producers and consumers continued in large volume and wholesale commodity prices, particularly of imports, advanced.

PRODUCTION

In February volume of industrial output, on a daily average basis, rose more than seasonally, and the Board's adjusted index advanced from 139 to 141 per cent of the 1935-39 average.

Increases in February, as in other recent months, were largest in the durable goods industries where a large proportion of defense program orders have been placed. Activity continued to rise sharply at machinery plants, aircraft factories, shipyards, and in the railroad equipment industries. Steel production fluctuated around 96 per cent of capacity in January and February and rose to 99 per cent in the first half of March. New orders for steel continued large and, despite the high rate of output, unfilled orders increased further. Many orders have been placed for delivery in the second half of this year, reflecting the prospect of heavy consumption and some uncertainty on the part of steel users regarding future availability of supplies. Output of pig iron, coke, and nonferrous metals was likewise at near capacity rates in February and unfilled orders for these products, too, were at exceptionally high levels. Demand for lumber continued large owing to a high rate of construction activity and output was sustained in large volume for this time of year. Automobile production increased in February and the first half of March to about the peak rate attained last November. Retail sales of new and used cars advanced to unusually high levels.

In industries manufacturing nondurable goods, activity continued at the record levels reached in the latter part of 1940. There were further increases in the cotton textile, rubber, and chemical industries and activity at woolen mills also increased, following a temporary reduction in January. In most other lines activity was maintained at the high levels of other recent months.

Coal production rose less than seasonally in February but increased considerably in the first half of March when, according to trade reports, there was some inventory accumulation in anticipation of a possible shutdown on April 1 at the expiration of the present contract between the mine operators and the miners' union. Copper and zinc production increased in February and recently domestic supplies of copper have begun to be supplemented by imports from South America. Output of crude petroleum continued at about the rate that had prevailed during the three preceding months.

Value of construction contract awards in February declined somewhat more than seasonally, reflecting decreases in both public and private work, according to reports of the F. W. Dodge Corporation. Awards for public construction, although sharply reduced from the high levels reached in the latter half of 1940, were somewhat above those of a year ago, and awards for private construction were nearly half again as large as in February of last year.

DISTRIBUTION

Distribution of commodities to consumers increased more than seasonally from January to February. Sales at variety stores and by mail-order houses were the largest on record, making allowance for usual seasonal changes, and department store sales were also at a high level.

Freight carloadings increased by about the usual seasonal amount. Shipments of miscellaneous freight, consisting mostly of manufactured products, showed an increase while loadings of forest products rose less than seasonally and grain shipments declined.

WHOLESALE COMMODITY PRICES

Prices of a number of basic imports rose sharply from the early part of February to the middle of March. Cotton yarns and gray goods and nonferrous metal scrap showed further increases in this period and there were also advances in prices of some other domestic commodities, including lead, wheat, cotton, and oils and fats.

BANK CREDIT

Commercial loans continued to increase at member banks in 101 leading cities in February and the first half of March and these banks also purchased additional Treasury notes and bills issued in connection with the defense program. As a result of the increase in loans and investments, bank deposits showed a further marked advance.

UNITED STATES GOVERNMENT SECURITY PRICES

Prices of Government securities increased after February 15, following a sharp decline in the preceding ten weeks. The 1960-65 bonds on March 15 were about 3½ points above their price on February 15 and about 1¼ points below the all-time peak of December 10. The yield on this issue, which increased from 2.03 per cent at the peak in prices on December 10 to 2.30 per cent on February 15, had declined to 2.14 per cent on March 15.