

# MONTHLY REVIEW

## Agricultural and Business Conditions

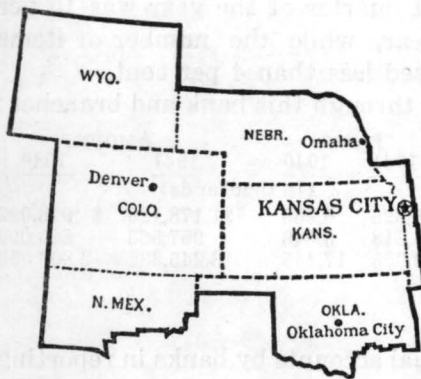
### TENTH FEDERAL RESERVE DISTRICT

VOL. 26, No. 4

FEDERAL RESERVE BANK OF KANSAS CITY

APRIL 30, 1941

#### Business in the Tenth Federal Reserve District



Rains over practically the whole District have made the best crop outlook in nearly a decade. Farm income in February was 5% above a year ago. Hog prices, especially, are higher and farmers are talking about raising more corn and hogs this year and less grain sorghums.

Retail sales in the first quarter of this year were nearly 10% higher and there is some tendency for stocks to rise. Better farm conditions and larger pay rolls are the chief sources of larger consumer income.

A turn for the better has taken place in the oil industry, prices of crude and gasoline showing more strength than for some time. Flour milling is also more active and meat packing is in larger volume. Coal output and zinc ore shipments have been very large. Construction is about a third more active than a year ago.

Demand deposits are 11% and bank loans 16% above last year but investments are unchanged.

BUSINESS INDICATORS	MARCH 1941 COMPARED WITH MARCH 1940					3 MOS. 1941 COMPARED WITH 3 MOS. 1940						
	% DECREASE		% INCREASE			% DECREASE		% INCREASE				
	40	30	20	10	10	20	30	40	10	20	30	40
<b>Finance</b>												
Bank Debits.....												
F. R. Bk. Clearings.....												
Mem. Bk. Loans.....												
Mem. Bk. Invest.....												
Demand Deposits.....												
Life Ins. Sales.....												
Failures (Liab.).....												
<b>Trade</b>												
Wholesale Sales.....												
Retail Sales.....												
Dept. Store Sales.....												
Lumber Sales.....												
<b>Marketing</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.....												+52
Res. Awards.....												
Value of Permits.....												
<b>Miscellaneous</b>												
Rainfall.....												
Cash Farm Income*.....												
Employment.....												
Pay Rolls.....												
*For previous month												

**Member Bank Operations**

Loans at 50 weekly reporting member banks in the Tenth District, following a moderate rise since the first of the year, declined somewhat from the middle of March to the middle of April. Virtually all of the decline was in commercial loans and was due largely to the fact that many wheat loans were maturing. Total loans are about 16 per cent larger than at this time last year. Investments have shown a further sharp increase in recent weeks, owing to purchases of Treasury bills, Government bonds, and so-called "other" securities. Holdings of Government securities, which had declined substantially near the end of last year, have since regained most of this decline, and total investments are now slightly above a year ago.

Adjusted demand deposits at these 50 reporting banks are slightly below their record level of early March but interbank deposits increased substantially from the middle of March to the middle of April, reaching a new high point, and reserve balances carried at this bank correspondingly rose to a new record level. Correspondent balances carried at other banks also have increased in recent weeks. Adjusted demand deposits are 11 and interbank deposits 9 per cent higher than a year ago, while reserve balances are 12 and correspondent balances 4 per cent above last year.

Principal items of condition of 50 member banks:

	Change from		
	Apr. 16 1941	Mar. 19 1941	Apr. 17 1940
	(In thousands of dollars)		
Loans and investments—total.....	743,957	+10,038	+51,585
Loans—total.....	353,552	-2,889	+47,889
Coml., indust., agric.....	213,163	-3,521	+32,281
Open market paper.....	22,324	+234	-361
To security brokers and dealers.....	4,291	+564	+86
Other to purchase or carry secur..	9,885	-220	-381
Real estate loans.....	31,503	+60	+2,576
Loans to banks.....	81	+28	-34
All other loans.....	72,305	-34	+13,722
Investments—total.....	390,405	+12,927	+3,696
U. S. Treasury bills.....	27,181	+6,361	+6,663
U. S. Treasury notes.....	47,188	-2,113	-16,547
U. S. Govt. bonds.....	103,931	+7,628	+6,489
Oblig. guar. by U. S. Govt.....	80,804	-1,779	+14,303
Other securities.....	131,301	+2,830	-7,212
Reserve with F. R. Bank.....	214,343	+6,833	+22,568
Balances with domestic banks.....	333,798	+5,024	+13,280
Demand deposits—adjusted.....	597,179	+368	+59,026
Time deposits.....	145,929	+335	+324
U. S. Govt. deposits.....	10,553	+1,838	-13,154
Interbank deposits.....	464,992	+17,825	+36,703

**Reserve Bank Operations**

Note circulation of this bank, after a temporary decline to about 207¾ million dollars near the end of February, has since resumed its rise, averaging above 214¾ million during the first half of April and reaching a new high record level of 215¼ million. This represents an increase of about 32½ million, or 18 per cent, as compared with a year ago and about 46¾ million, or 28 per cent, as compared with two years ago.

**Principal items of condition of this Reserve Bank:**

	Change from		
	Apr. 16 1941	Mar. 19 1941	Apr. 17 1940
	(In thousands of dollars)		
Total reserves.....	466,879	+14,189	+89,197
Bills discounted.....	174	-9	-37
Industrial advances.....	71	-1	-41
Commit. to make indust. adv.....	35	Zero	-433
U. S. Govt. sec., direct & guar.....	106,140	-3,555	-7,721
Total assets.....	618,350	+11,986	+86,664
F. R. notes in circulation.....	215,025	+3,133	+32,353
Member bank reserve deposits.....	294,922	+8,467	+29,916

Dollar volume of check collections rose more than is usual during March. Dollar volume for March was 21 and for the first quarter of the year was 16 per cent above last year, while the number of items handled has increased less than 4 per cent.

Check collections through this bank and branches:

	ITEMS		AMOUNT	
	1941	1940	1941	1940
	(In thousands)			
March.....	6,325	6,088	\$1,178,129	\$ 978,093
February.....	5,618	5,648	957,563	860,609
Three months.....	18,055	17,445	3,245,232	2,806,050

**Bank Debits**

Debits to individual accounts by banks in reporting centers of the District in March were 11 and in the first quarter of 1941 about 9 per cent larger than in the corresponding periods of 1940. Increases for the whole country, however, were somewhat greater, measuring 18 and 13 per cent, respectively.

Payments by check in thirty District cities:

	Mar. 1941		3 Mos. 1941		Change from 1940	
	(Thousand dollars)	(Per cent)	(Thousand dollars)	(Per cent)	Mar. 1941	3 Mos. 1941
Albuquerque, N. M.....	20,180	57,927	+23.8	+20.8		
Atchison, Kans.....	2,992	8,889	+4.5	+9.9		
Bartlesville, Okla.....	27,260	79,707	+4.4	-7.9		
Casper, Wyo.....	6,336	19,837	+8.9	+11.2		
Cheyenne, Wyo.....	10,157	29,018	+26.2	+25.7		
Colo. Springs, Colo.....	17,115	43,910	+22.4	+13.6		
Denver, Colo.....	181,437	512,141	+18.1	+14.9		
Emporia, Kans.....	3,379	10,190	+8.3	+15.5		
Enid, Okla.....	10,156	29,051	-8.2	-2.7		
Fremont, Nebr.....	3,232	9,099	+16.3	+14.3		
Gr. Junction, Colo.....	3,458	10,201	-8.1	-5.5		
Guthrie, Okla.....	1,640	4,784	+8.4	+11.2		
Hutchinson, Kans.....	10,746	31,208	-12.3	-9.4		
Indep., Kans.....	2,861	8,575	+8.3	+9.6		
Joplin, Mo.....	9,758	29,324	+12.1	+4.4		
Kansas City, Kans.....	18,165	56,377	+19.1	+12.7		
Kansas City, Mo.....	342,510	972,951	+11.2	+8.6		
Lawrence, Kans.....	3,846	10,631	+1.8	+2.8		
Lincoln, Nebr.....	29,635	84,723	+8.5	+4.1		
Muskogee, Okla.....	8,893	25,771	+19.5	+18.8		
Okla. City, Okla.....	112,906	329,501	+6.1	+5.0		
Oklmulgee, Okla.....	3,182	8,283	+25.2	+7.6		
Omaha, Nebr.....	163,987	466,017	+15.8	+12.4		
Pittsburg, Kans.....	4,275	12,508	+11.0	+8.3		
Pueblo, Colo.....	15,245	44,481	+13.4	+16.5		
Salina, Kans.....	8,257	24,500	-5.3	+0.8		
St. Joseph, Mo.....	29,990	89,426	+20.4	+10.4		
Topeka, Kans.....	19,366	60,403	-5.2	-7.4		
Tulsa, Okla.....	133,598	388,895	-4.0	-1.8		
Wichita, Kans.....	60,935	169,982	+33.4	+28.5		
District, 30 cities.....	1,265,497	3,628,310	+10.9	+8.5		
U. S., 274 cities.....	44,558,000	121,474,000	+18.0	+12.7		

**Trade**

**RETAIL SALES**

Department store sales in the District in March were 6 per cent larger than a year ago despite the fact that Easter was on March 24 last year and was three weeks later on April 13 this year. Toward the end of March warmer weather greatly stimulated the movement of seasonal merchandise, and in the first two weeks of April, immediately preceding the Easter date this year, sales were 24 per cent above last year. Retail prices, according to the Fairchild Index, are about 2 per cent higher than a year ago.

Inventories and forward buying are increasing. Stocks on hand at the close of March were slightly above a year ago and the amount of orders outstanding was 34 per cent larger than last year. Collections on both regular and installment accounts showed marked improvement in March over last year.

Department store sales and stocks in leading cities:

No. of Stores	SALES		STOCKS
	Mar. '41 comp. to Mar. '40	3 Mos. '41 comp. to 3 Mos. '40	Mar. 31, '41 comp. to Mar. 31, '40
	(Per cent increase or decrease)		
Denver.....	7	+8	+8
Hutchinson.....	3	+5	+6
Topeka.....	3	+1	+8
Wichita.....	4	+2	+6
Kansas City.....	8	+7	+9
St. Joseph.....	3	-4	....
Omaha.....	4	+13	+6
Oklahoma City.....	6	+11	+14
Tulsa.....	6	+6	+13
Other cities.....	32	+1	+6
District.....	76	+6	+9

Total retail sales in the District in March were 5 and in the first quarter of the year 8 per cent larger than in the corresponding periods last year.

Retail sales reported by the Bureau of the Census:

	Mar. 1941 per cent change from Mar. 1940						
	Colo.	Kans.	Mo.	Nebr.	N.Mex.	Okla.	Wyo.
Apparel.....	-15	-10	-4	-8	-13	-13	+2
Automobile.....	+6	+32	+14	+7	+11	+21	+15
Department.....	+17	-0	+6	+5	....	+8	....
Drug.....	+0	+7	+5	+2	+5	+4	-0
Dry goods.....	-6	-7	+6	-1	....	-11	....
Food.....	-1	+1	+1	+0	-3	+1	+4
Furniture.....	+4	+19	+16	+10	....	+6	....
General.....	-10	-1	+4	-3	+6	+0	+1
Hardware.....	+2	+12	+23	+13	....	+4	....
Jewelry.....	+12	+13	+18	+10	....	+19	....
Lbr. and mtls....	+7	+9	+17	+33	+7	+5	-3
Miscellaneous....	-9	-1	+8	-4	-1	-4	+0
Total.....	+3	+9	+6	+4	+5	+6	+4

**WHOLESALE SALES**

Wholesale sales in the District show a larger gain than retail sales, the value of March and first quarter wholesale sales being more than 12 per cent above a year ago. Wholesale stocks continue to rise rapidly and at the end of March were nearly 9 per cent larger than at the same time last year. March collections averaged 76.3 per cent against 73.5 per cent a year ago.

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

No. of Firms	SALES		STOCKS
	Mar. '41 comp. to Mar. '40	3 Mos. '41 comp. to 3 Mos. '40	Mar. 31, '41 comp. to Mar. 31, '40
	(Per cent increase or decrease)		
Auto. supplies.....	17	+3.6	+1.8
Drugs.....	7	+6.2	+6.3
Dry goods.....	3	+10.9	+10.2
Electrical goods....	11	+23.9	+24.4
Farm products.....	10	-0.7	+3.4
Furniture.....	4	+27.2	+25.9
Groceries.....	29	+11.2	+6.7
Hardware—total.. (16)		+10.0	+20.5
General.....	3	+22.1	+16.5
Industrial.....	6	+3.8	+26.7
Plbg. & htg.....	7	+6.4	+14.4
Jewelry.....	3	+35.1	....
Machinery.....	5	+40.2	+44.8
Tobacco and prod..	5	+1.0	+4.9
All other lines.....	25	+23.9	+22.7
Total.....	135	+12.8	+12.3

**Crops**

The first official estimates of winter wheat production, based on April 1 conditions, indicate a crop for the District about 7 per cent larger than last year and 6 per cent above the average from 1930 to 1939. Winter wheat prospects are good in most sections except northern Missouri, north and eastcentral and northeastern Kansas, and the eastern two-thirds of Nebraska, where abandonment has been heavy and the acreage is being put in spring crops. In this area, fall growth was retarded by a shortage of rainfall, wheat was severely damaged by the sudden freeze on November 11 before the plants were weather hardened, and additional damage resulted from subsequent heaving and from low temperatures in March. In the western parts of Kansas and Oklahoma and in eastern New Mexico there has been some damage to wheat from high winds. The Armistice Day freeze also killed or seriously injured fruit and other trees, especially in the northeastern part of the District.

Department of Agriculture winter wheat estimates:

	PRODUCTION			YIELD PER ACRE		
	Indic. 1941	Final 1940	Aver. '30-'39	Indic. 1941	Final 1940	Aver. '30-'39
	(000 Bushels)			(Bushels)		
Colo.....	14,014	9,888	8,745	11.0	8.4	6.4
Kans.....	149,454	123,648	131,460	11.5	9.9	9.2
Mo.....	17,461	31,690	26,989	9.5	17.6	13.6
Nebr.....	28,500	33,696	41,151	8.5	11.2	11.2
N. Mex.....	1,172	1,410	2,478	3.5	4.1	6.1
Okla.....	62,959	56,332	47,682	13.0	12.1	9.8
Wyo.....	2,893	2,090	1,307	11.0	8.7	6.2
7 States.....	276,453	258,754	259,812	11.1	10.9	9.7
U. S.....	616,128	589,151	569,417	13.3	13.4	11.8

Although precipitation in February and March was below normal, most sections of the District have had good rains in April and the moisture situation this spring is the best in many years. Surface moisture is generally adequate and subsoil moisture reserves because of an unusually wet winter are greatly improved

over a year ago. March precipitation in Nebraska was 71, in Kansas 62, in Missouri 24, and in Oklahoma 40 per cent of normal, while in Wyoming it was 92, in Colorado 151, and in New Mexico 313 per cent of normal for the month.

### Rainfall

	Mar. 1941		3 Mos. 1941	
	Total	Normal	Total	Normal
	(In inches)			
<b>COLORADO</b>				
Denver.....	1.01	1.04	1.87	1.97
Leadville.....	2.43	1.66	4.74	4.30
Pueblo.....	.34	.59	.94	1.37
Lamar.....	.94	.80	1.69	1.66
Garnett.....	.89	.39	2.06	.71
Steamboat Springs....	1.76	2.34	5.56	6.97
<b>KANSAS</b>				
Topeka.....	1.43	2.10	5.55	4.55
Iola.....	.52	2.59	5.76	5.39
Concordia.....	1.04	1.23	3.08	2.72
Salina.....	1.03	1.39	3.48	3.09
Wichita.....	1.11	1.75	3.73	3.78
Hays.....	.58	.93	2.51	2.08
Goodland.....	1.06	.90	2.07	1.68
Dodge City.....	.82	.89	3.16	2.07
Elkhart.....	1.11	.85	2.71	1.69
<b>MISSOURI</b>				
St. Joseph.....	.96	2.48	4.52	5.43
Kansas City.....	.87	2.53	6.36	5.47
Joplin.....	.75	3.20	4.03	7.04
<b>NEBRASKA</b>				
Omaha.....	.36	1.37	1.98	2.96
Lincoln.....	.72	1.27	3.07	2.86
Norfolk.....	.52	1.20	2.89	2.67
Grand Island.....	.31	1.32	1.57	2.67
McCook.....	.67	.88	2.51	1.88
North Platte.....	.65	.86	1.31	1.80
Bridgeport.....	1.21	.82	2.11	1.69
Valentine.....	.66	1.02	1.59	2.08
<b>NEW MEXICO</b>				
Clayton.....	2.66	.81	3.61	1.53
Santa Fe.....	1.72	.80	3.79	2.22
Farmington.....	.80	.66	2.99	1.96
<b>OKLAHOMA</b>				
Tulsa.....	.51	3.02	4.63	6.59
McAlester.....	.42	3.09	6.41	8.16
Oklahoma City.....	.58	1.98	3.53	4.28
Pauls Valley.....	.69	2.10	6.05	5.19
Hobart.....	.68	1.58	4.49	3.30
Enid.....	1.47	1.60	4.54	3.84
Woodward.....	1.81	1.43	6.12	3.11
<b>WYOMING</b>				
Cheyenne.....	1.37	1.02	2.02	2.08
Casper.....	1.29	1.24	1.82	2.75
Lander.....	2.68	1.19	3.49	2.38
Sheridan.....	.42	1.16	.71	2.71

### Grain Marketing

Rising prices stimulated grain marketings during March and there was some redemption of wheat under Government loan, about 161½ million bushels of a total of 278 million being redeemed before prices turned downward early in April. Wheat receipts at principal District markets, however, were moderately less than in March a year ago, when prices had been considerably higher and redemption much more active, and were slightly below the March ten-year average. Corn marketings, due in part to the less favorable keeping qualities of the 1940 crop, were 28 per cent larger than last year although 16 per cent below average. Receipts of oats continue small.

### March grain receipts at five District markets:

	Wheat	Corn	Oats
	(In bushels)		
Hutchinson.....	917,000	10,000	....
Kansas City.....	2,835,000	1,022,000	102,000
Omaha.....	612,000	969,000	94,000
St. Joseph.....	304,000	218,000	308,000
Wichita.....	1,423,000	1,000	....
Mar. 1941.....	6,091,000	2,220,000	504,000
Feb. 1941.....	5,140,000	1,529,000	468,000
Mar. 1940.....	6,498,000	1,738,000	547,000
3 Mos. 1941.....	15,613,000	5,824,000	1,378,000
3 Mos. 1940.....	14,929,000	5,004,000	2,218,000

The sharp advance since late February in cash wheat prices leveled off toward the end of March and early in April but was later resumed, wheat prices near the middle of April reaching a new high level for the current crop year, due principally to trade reports of the possibility of exports and of substantially higher Government loan rates for the 1941 crop. At the same time, however, the price rise was held somewhat in check by the continued favorable crop outlook and by increasing redemptions of loan wheat, and in the third week of April prices were lower. Cash corn prices strengthened in sympathy with wheat and, in addition, were influenced by the Government's announcement on April 3 of a program to stimulate the production of pork and dairy and poultry products.

### The lower range of cash grain prices at Kansas City:

	Apr. 23 1941	Mar. 31 1941	Feb. 28 1941	Mar. 30 1940
No. 1 hd., dk. wheat, bu..	\$ .84½	\$ .88	\$ .80	\$ 1.02
No. 2 mixed corn, bu.....	.65	.63	.58	.60¼
No. 2 white oats, bu.....	.36¾	.37¾	.35¼	.40¾
No. 2 rye, bu.....	.50	.53½	.46	.66
No. 2 barley, bu.....	.48	.50	.48	.53
No. 2 white kafir, cwt....	.90	.87	.83	1.32

### Livestock

#### MARKETINGS

Marketings of cattle, calves, and sheep increased seasonally during March and hog marketings, which usually show a considerable decrease, held about unchanged. Receipts of cattle were 25 per cent larger than in March a year ago and hog receipts, in contrast with recent declines, were almost as heavy as last year. Receipts of calves and sheep continue in about the same volume as a year ago. Marketings of cattle were only 4 but of calves 17, hogs 10, and sheep 21 per cent below the March ten-year average.

### March livestock receipts at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	27,591	6,521	49,487	124,993
Kansas City.....	85,647	10,743	147,482	98,905
Oklahoma City.....	33,090	11,384	54,926	12,736
Omaha.....	93,804	6,736	137,501	137,240
St. Joseph.....	26,876	3,275	56,695	130,729
Wichita.....	25,770	3,538	26,714	19,902
Mar. 1941.....	292,778	42,197	472,805	524,505
Feb. 1941.....	243,541	33,435	477,243	418,843
Mar. 1940.....	234,002	43,408	482,085	504,853
3 Mos. 1941.....	858,639	126,731	1,510,411	1,442,793
3 Mos. 1940.....	769,146	132,310	1,866,201	1,392,141

PRICES

Depressed markets for dressed meats during March and the forepart of April reacted on live values, and livestock prices generally showed little change except for a sharp rise in hog prices following the announcement on April 3 that the Government would support long-term hog prices at an approximate level of \$9 per hundredweight in an effort to stimulate production and to assure ample supplies for the United States, Great Britain, and other nations resisting aggression. The top price of hogs has since fluctuated around \$9 a hundredweight as compared with \$5.50 at this time last year and is at the highest level since late in 1938. At present corn prices, the \$9 price for hogs is quite favorable to increased production.

Top carlot livestock prices at Kansas City:

	Apr. 23 1941	Mar. 1941	Feb. 1941	Mar. 1940	Mar. 1939	Mar. 1938
(In dollars per hundredweight)						
Beef steers.....	11.50	12.75	12.50	12.25	12.75	9.85
Stocker cattle.....	11.25	12.50	12.00	10.75	10.50	8.50
Feeder cattle.....	11.00	11.40	11.50	9.75	10.75	8.40
Calves.....	11.50	11.50	13.00	11.00	11.00	10.00
Hogs.....	8.75	8.05	7.90	5.50	8.10	9.35
Sheep.....	9.00	9.40	9.75	7.75	7.90	8.00
Fed lambs.....	10.25	11.00	10.85	10.25	9.65	9.25
Spring lambs.....	11.00	11.75	....	12.00	11.00	10.00

STOCKERS AND FEEDERS

Reflecting excellent prospects for grass pastures and the generally profitable level of fat livestock prices, countryward shipments of stocker and feeder cattle and sheep from public markets in March continued substantially above a year ago. Shipments of cattle were 14, of calves 29, and of sheep 61 per cent above the March ten-year average.

March stocker-feeder shipments from four markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	4,807	3,934	....	16,441
Kansas City.....	36,680	4,985	1,006	17,585
Omaha.....	18,996	1,752	965	18,470
St. Joseph.....	5,668	675	1,034	21,707
Mar. 1941.....	66,151	11,346	3,005	74,203
Feb. 1941.....	54,976	7,082	4,216	63,872
Mar. 1940.....	56,860	11,982	5,534	49,739
3 Mos. 1941.....	200,597	37,272	11,685	219,816
3 Mos. 1940.....	167,987	38,932	15,879	147,863

Cattle feeding operations in Kansas on April 1 were 40, in Nebraska 10, and in Missouri 12 per cent heavier than a year ago. These increases are considerably larger than those previously reported on January 1 and reflect chiefly the favorable returns from operations during the winter feeding season. However, the number of cattle on feed in these states is still much below that in most years before the droughts of 1934 and 1936 and the attendant decline in corn production reduced cattle feeding to rather low levels. The number on feed in Kansas is little more than a fifth, in Nebraska half, and in Missouri a third of what it was at this time in 1929. Lamb feeding operations in the important northern and Arkansas Valley areas of

Colorado and in the Scottsbluff feeding section of Nebraska this season have been about 15 to 20 per cent under last year.

RANGES AND PASTURES

Although new grass was delayed somewhat by cool weather during March, ranges and pastures in the District are the best in ten years and soil moisture and stock water supplies are generally ample. Winter wheat fields, which previously had been too muddy to be pastured, were being grazed extensively in Oklahoma and Kansas toward the end of March and early in April. Livestock came through the winter in good condition despite rather heavy supplemental feeding in many areas, breeding herds are strong, and prospects are favorable for good calf and lamb crops this spring. Contracting of the 1941 wool clip, which had begun earlier than usual and had been quite active in January and February at prices much above a year ago, has since slowed materially.

The spring movement of cattle from the southwest to the Osage pastures of Oklahoma and the Blue Stem (Flint Hills) pastures of Kansas may not be as large as last spring because of unusually good feed and water conditions in Texas, but a larger number of cattle were carried over through the past winter and present prospects are that the pastures will be fairly well stocked. So far this spring, pasture leasing has been considerably more active than a year ago. Lease prices are slightly higher in Kansas and about the same as last year in Oklahoma, and acreage guarantees per head have been reduced somewhat because of the excellent condition of these pastures.

Farm Income

Cash farm income in the District in January had been 5 per cent below a year ago but February income was 5 per cent above last year and total farm income so far in 1941 is about equal to that in 1940. Income from farm marketings in February was 11 per cent larger than last year, due chiefly to higher prices for meat animals and to increased marketings of dairy products. Income from crops, because of the smaller amount of corn placed under loan, and from poultry and eggs was below a year earlier. Government payments continue in smaller volume than last year.

Department of Agriculture farm income estimates:

	Feb. 1941	2 Mos. 1941	Change from 1940	
	(Thousand dollars)		Feb.	2 Mos.
			(Per cent)	
Colorado.....	10,584	20,824	+2.1	-6.7
Kansas.....	21,778	48,524	+7.0	-3.4
Missouri.....	21,888	48,890	+30.8	+8.0
Nebraska.....	20,410	47,387	-15.2	-8.1
New Mexico.....	3,159	6,831	+2.8	+2.3
Oklahoma.....	16,109	31,661	+20.4	+12.6
Wyoming.....	2,833	5,260	-27.6	-22.6
Seven states.....	96,761	209,377	+5.3	-0.8
United States.....	632,108	1,386,372	-1.7	+0.1

**Meat Packing**

Meat-packing operations in the District increased seasonally during March. Notwithstanding the strong competition of country demand for market supplies of stocker and feeder cattle, calves, and sheep, packers' purchases of cattle were 18, of calves 6, and of sheep 10 per cent above last year. Hog slaughter, which had been dropping sharply, was relatively heavy in comparison with other recent months, being slightly above that of March a year ago. Packers' purchases of cattle were 7, calves 30, hogs 4, and sheep 15 per cent below the March average of the past ten years.

March packers' purchases at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	14,994	2,310	34,845	25,452
Kansas City.....	34,422	5,986	137,501	65,622
Oklahoma City.....	14,544	7,868	44,972	9,714
Omaha.....	64,763	4,958	119,079	90,714
St. Joseph.....	18,326	2,495	53,878	94,572
Wichita.....	7,885	1,879	24,064	19,654
Mar. 1941.....	154,934	25,496	414,339	305,728
Feb. 1941.....	142,370	22,486	421,439	279,798
Mar. 1940.....	131,134	23,956	408,178	279,098
3 Mos. 1941.....	476,614	74,218	1,322,809	918,328
3 Mos. 1940.....	463,938	84,285	1,621,042	881,884

**Cold Storage Holdings**

United States cold storage stocks of meats and butter decreased less than is usual during March, while stocks of poultry and cheese dropped rather sharply and holdings of lard declined contrary to the usual trend. April 1 stocks of beef were 17, pork 34, lamb 12, poultry 34, lard 91, and cheese 40 per cent above the average for that date during the past five years, while stocks of eggs were about equal to average and of butter 61 per cent below average.

United States cold storage holdings:

	Apr. 1 1941	Mar. 1 1941	Apr. 1 1940	Aver. '36-'40
(In thousands of units)				
Beef, lbs.....	90,462	98,444	72,560	77,247
Pork, lbs.....	784,550	791,910	652,733	585,162
Lamb and mutton, lbs.....	4,268	4,448	4,257	3,816
Poultry, lbs.....	126,885	163,321	115,442	95,013
Miscellaneous meats, lbs....	82,997	88,883	101,181	83,415
Lard, lbs.....	310,725	317,431	268,777	162,677
Eggs, shell, cases.....	1,091	307	854	1,096
Eggs, frozen (case equiv.)	1,812	1,292	1,263	1,715
Butter, creamery, lbs.....	8,987	16,462	8,875	22,955
Cheese, all varieties, lbs....	109,827	119,381	75,410	78,654

**Flour Milling**

Operations at southwestern flour mills continued in March at 70 per cent of capacity and output was 12 per cent heavier than a year ago and 9 per cent above the March ten-year average. This relatively high level of milling operations is due almost entirely to hand-to-mouth buying for immediate or near-by delivery as backlogs on mills' books and flour stocks of bakers and jobbers generally are quite low. Although interest in flour has been quickened by rising prices and the prospect of higher wheat loan rates, buyers

failed to contract when wheat prices were at their recent low late in February and long-term commitments, at least for the time being, are lacking.

Flour output reported by the Northwestern Miller:

	Mar. 1941	3 Mos. 1941	Change from 1940	
	(In barrels)		Mar.	3 Mos.
			(Per cent)	
Kansas City.....	568,000	1,624,000	+12.5	+2.3
Salina.....	185,000	567,000	-3.6	-3.4
Wichita.....	165,000	501,000	+24.1	+26.5
Other cities.....	1,242,000	3,628,000	+13.4	+10.3
Southwest.....	2,160,000	6,320,000	+12.2	+7.9
United States*.....	5,776,000	16,780,000	+3.0	+2.1

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

**Petroleum**

Crude oil production in the District both in March and in the first quarter of the year was little changed from a year ago. March output, however, was about 3 per cent above the average of the past ten years.

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

	Mar. 1941	3 Mos. 1941	Change from 1940	
	(In barrels)		Mar.	3 Mos.
			(Per cent)	
Colorado.....	116,000	327,000	+31.8	+22.9
Kansas.....	6,402,000	18,086,000	+15.0	+13.3
Nebraska.....	134,000	316,000	....	....
New Mexico.....	3,306,000	9,310,000	-6.9	-10.3
Oklahoma.....	12,554,000	37,328,000	-7.9	-5.3
Wyoming.....	2,438,000	7,101,000	+20.4	+20.8
Six states.....	24,950,000	72,468,000	+0.3	+0.8
United States.....	113,725,000	325,163,000	-5.3	-4.9

Although there has been a substantial decline in exports of crude oil and petroleum products, an increase in imports, and little gain in domestic consumption except in the case of gasoline and lubricants, producers are encouraged by an advance in Gulf Coast and Mid-Continent crude oil prices near the end of March and by a general advance in gasoline prices early in April. The advance in the price of crude was the first in more than four years, the present price of \$1.07 a barrel for 36 degree gravity oil in Kansas and Oklahoma comparing with the high of recent years of \$1.22 from January, 1937, until the fall of 1938.

**Coal**

Following earlier marked declines from a year ago, March output of bituminous coal in the District was nearly half again larger than last year.

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

	Mar. 1941	3 Mos. 1941	Change from 1940	
	(In tons)		Mar.	3 Mos.
			(Per cent)	
Colorado.....	671,000	2,026,000	+43.4	-2.2
Kans. and Mo.....	828,000	2,308,000	+49.2	+1.7
New Mexico.....	120,000	327,000	+62.2	+8.6
Oklahoma.....	169,000	555,000	+106.1	+3.7
Wyoming.....	563,000	1,613,000	+38.3	+6.9
Six states.....	2,351,000	6,829,000	+48.2	+2.1
United States.....	48,250,000	134,015,000	+36.9	+12.1

**Zinc and Lead**

Zinc shipments from the Tri-State district in March were 26 per cent larger but of lead slightly smaller than in the same month last year. Demand for zinc is strong, stocks are low, and shipments are equal to production, but imports of zinc ore, principally from Mexico and Peru, are also increasing and Joplin prices have been unchanged at \$48 a ton since last September. This compares with \$37.50 a ton a year ago and \$49.50 at their recent peak in 1937. Lead ore prices advanced somewhat further during March to about \$69.50 a ton, which is above the \$57 level of a year ago but far below the high of \$95 early in 1937.

March ore shipments from the Tri-State district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Kansas.....	11,919	\$ 573,556	1,429	\$ 96,549
Missouri.....	2,471	119,108	143	9,674
Oklahoma.....	27,765	1,339,020	2,543	171,607
Mar. 1941.....	42,155	\$2,031,684	4,115	\$277,830
Feb. 1941.....	33,624	1,621,283	4,114	268,998
Mar. 1940.....	33,535	1,252,480	4,242	255,884
3 Mos. 1941.....	111,601	5,380,211	12,040	792,316
3 Mos. 1940.....	97,040	3,587,265	10,712	655,518

**Employment and Pay Rolls**

Employment in the District in March was about 6 and pay rolls 11 per cent above a year ago.

Preliminary figures of the Department of Labor:

	EMPLOYMENT		PAY ROLLS	
	Mar. 1941	3 Mos. 1941	Mar. 1941	3 Mos. 1941
	(Per cent change from year ago)			
Colorado.....	+4.0	+3.2	+8.3	+5.4
Kansas.....	+11.5	+9.4	+15.1	+11.1
Missouri.....	+5.8	+4.8	+12.7	+10.7
Nebraska.....	+2.4	+0.5	+5.2	+2.7
New Mexico.....	+22.4	+19.7	+40.5	+32.6
Oklahoma.....	+2.7	+2.6	+7.4	+5.3
Wyoming.....	-1.8	+1.1	+1.3	+3.4
Seven states.....	+5.8	+4.7	+11.3	+8.9

**Building**

Construction awards in the Kansas City area continued in March at a level about 29 per cent above last year. Sharp gains were reported for residential building, principally in single family dwellings, for manufacturing, educational, public, and miscellaneous non-residential building, and for utility construction. Public works construction, which in recent months had been in exceptionally large volume, in March fell below a year earlier. In the first half of April, total awards were little changed from a year ago.

Construction figures of F. W. Dodge Corporation:

	Mar.	3 Mos.	Change from 1940	
	1941	1941	Mar.	3 Mos.
	(Thousand dollars)			
	(Per cent)			
Residential building..	6,064	12,206	+54.1	+44.8
Nonresidential bldg..	5,003	11,264	+88.5	+38.2
Public wks. construc..	2,700	12,159	-31.5	+66.3
Utility construction..	2,914	5,577	+21.4	+70.9
Kansas City area.....	16,681	41,206	+29.0	+51.7
37 Eastern states.....	479,903	1,055,481	+76.3	+57.8

The value of building permits issued in reporting District cities in March was 33 and in the first quarter of 1941 about 24 per cent larger than in the corresponding periods of 1940. The value of March permits was the largest for the month since 1930.

Value of building permits issued in District cities:

	Mar.	3 Mos.	Change from 1940	
	1941	1941	Mar.	3 Mos.
	(Dollars)			
	(Per cent)			
Albuquerque, N. M..	281,000	729,000	+30.1	+38.3
Cheyenne, Wyo.....	133,000	324,000	-31.8	-4.7
Colo. Springs, Colo.	78,000	156,000	+18.2	+30.0
Denver, Colo.....	1,711,000	3,549,000	+91.4	+27.4
Hutchinson, Kans..	77,000	122,000	-2.5	+8.0
Joplin, Mo.....	58,000	100,000	-6.5	-18.7
Kansas City, Kans..	48,000	177,000	-23.8	-49.3
Kansas City, Mo.....	434,000	975,000	+30.3	+68.1
Lincoln, Nebr.....	153,000	289,000	-54.7	-57.5
Okla. City, Okla.....	534,000	1,315,000	+0.6	+16.6
Omaha, Nebr.....	365,000	797,000	+5.8	+53.3
Pueblo, Colo.....	76,000	209,000	+46.2	+20.1
Salina, Kans.....	18,000	57,000	-65.4	-52.1
Shawnee, Okla.....	6,000	67,000	-66.7	+81.1
St. Joseph, Mo.....	37,000	86,000	-9.8	+16.2
Topeka, Kans.....	83,000	209,000	-50.6	-51.3
Tulsa, Okla.....	747,000	1,457,000	+61.3	+44.0
Wichita, Kans.....	829,000	1,361,000	+136.9	+131.5
District, 18 cities....	5,668,000	11,979,000	+32.9	+23.5

**Lumber**

Retail lumber sales in the District continue above last year although the gain in recent months is less pronounced. January sales had been 50 per cent larger than a year earlier, but February sales were only 25 and March sales 12 per cent larger, the total increase for the first quarter measuring 31 per cent.

Stocks of lumber, after rising rapidly, showed little change during March at a level 14 per cent above a year ago. Collections show further improvement.

Lumber trade at 152 chain retail yards:

	Mar. 1941	
	Feb. 1941	Mar. 1940
	per cent change from	
Sales of lumber, board feet.....	+28.4	+11.6
Sales of all materials, dollars.....	+21.5	+3.3
Stocks of lumber, board feet.....	-0.1	+13.9
Outstandings, dollars.....	+3.2	+6.9

**Life Insurance**

Life insurance sales in the District continue at a level slightly above a year ago but otherwise the volume of sales is the lowest in many years.

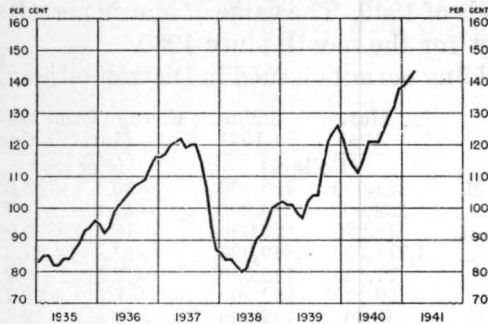
The Life Insurance Sales Research Bureau report:

	Mar.	3 Mos.	Change from 1940	
	1941	1941	Mar.	3 Mos.
	(Thousand dollars)			
	(Per cent)			
Colorado.....	5,054	13,445	+5	+2
Kansas.....	7,204	18,127	+15	+9
Missouri.....	17,418	46,941	+3	+2
Nebraska.....	5,644	15,189	+6	+4
New Mexico.....	982	2,803	-28	-18
Oklahoma.....	7,638	20,883	-4	0
Wyoming.....	1,048	2,744	+3	+3
Seven states.....	44,988	120,132	+3	+2
United States.....	598,217	1,658,536	+4	+3

## NATIONAL SUMMARY OF BUSINESS CONDITIONS

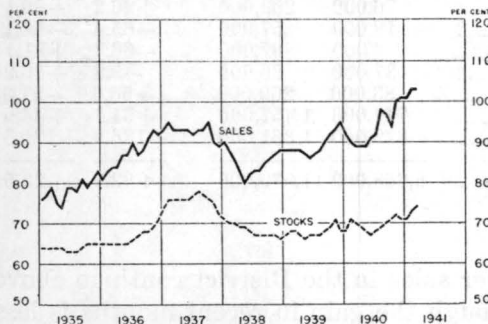
By the Board of Governors of the Federal Reserve System

## INDUSTRIAL PRODUCTION



Federal Reserve index of physical volume of production, adjusted for seasonal variation, 1935-39 average=100. By months, January, 1935, through March, 1941.

## DEPARTMENT STORE SALES AND STOCKS



Federal Reserve indexes of value of sales and stocks, adjusted for seasonal variation, 1923-25 average=100. By months, January, 1935, through March, 1941.

## WHOLESALE PRICES



Bureau of Labor Statistics' indexes, 1926=100. "Other" includes commodities other than farm products and foods. By weeks, January 5, 1935, through week ending April 12, 1941.

## MEMBER BANKS IN 101 LEADING CITIES



Wednesday figures, January 2, 1935, through April 9, 1941. Commercial loans, which include industrial and agricultural loans, represent prior to May 19, 1937, so-called "Other loans" as then reported.

Industrial activity increased further in March but declined somewhat in the first half of April owing to temporary reductions in output of bituminous coal and automobiles. Wholesale prices of many commodities advanced considerably and the Government took steps to limit price advances of some additional industrial materials.

## PRODUCTION

Volume of industrial output continued to increase in March and the Board's seasonally adjusted index rose from 141 to 143 per cent of the 1935-39 average. Activity increased further in most durable goods industries, particularly in those producing machinery, aircraft, ships, and armament. Steel production increased to about 100 per cent of rated capacity.

Automobile production, which usually increases considerably in March, showed little change from the high rate reached in February. In the first half of April output was reduced considerably owing to a shutdown at plants of the Ford Motor Company during an industrial dispute which was settled about the middle of the month. Retail sales of new and used cars advanced to new peak levels in March and dealers' stocks at the beginning of April amounted to about a month's supply at the current rate of sales. Output of lumber, which had been sustained at unusually high levels during the winter months, rose less than seasonally.

Activity in the textile and shoe industries increased further in March. Cotton consumption rose to a record level of 854,000 bales and there was also an increase in rayon deliveries. At wool textile mills activity was sustained at the peak rate reached in February, not showing the usual large seasonal decline, and in the chemical and rubber industries further advances were reported.

Bituminous coal production rose considerably, while output of crude petroleum was maintained in March at about the rate that had prevailed in the four preceding months. In the first half of April coal production declined sharply, however, as most mines were closed pending conclusion of contract negotiations between mine operators and the miners' union. Production of nonferrous metals continued in large volume in March and deliveries of refined copper showed a sharp rise as domestic production was supplemented by supplies received from South America.

Construction contract awards rose sharply in March and were larger than in any month since the middle of 1930, according to the F. W. Dodge Corporation data. The rise was chiefly in awards for publicly-financed work, which had been reduced considerably in January and February, and in private nonresidential projects, particularly factory construction. Awards for private residential building, which had been unusually large during the winter months, showed less than the customary seasonal rise in March.

## DISTRIBUTION

In March distribution of commodities to consumers was sustained at the high level reached in February. Sales at mail-order houses and department stores increased seasonally and variety store sales showed more than the usual seasonal rise.

Freight carloadings increased by about the usual seasonal amount. Loadings of coal and grain rose considerably, while shipments of miscellaneous freight, which in previous months had risen steadily, on a seasonally adjusted basis, showed a smaller increase than is usual at this time of year.

## COMMODITY PRICES

Prices of basic commodities continued to advance sharply from the middle of March to the middle of April. There were substantial increases in prices of domestic foodstuffs and further advances in burlap, cotton, rubber, and lead. Increases were also reported in wholesale prices of a number of manufactured products and the general index of the Bureau of Labor Statistics rose two points to 83 per cent of the 1926 average.

Informal action was taken by the Government to discourage price increases of some additional industrial materials and maximum price schedules were established for steel, bituminous coal, secondary and scrap aluminum and zinc, and iron and steel scrap. Sharp reductions in prices of some kinds of nonferrous metal scrap resulted. Announcement of an expanded Federal purchase program for hog, dairy, and poultry products was followed by price increases for these and related products.

## BANK CREDIT

Total loans and investments at reporting member banks in 101 cities increased during March and the first two weeks of April. Commercial loans continued to rise substantially, and holdings of United States Government securities increased further, reflecting purchases of new Treasury offerings.

## UNITED STATES GOVERNMENT SECURITY PRICES

Prices of United States Government securities declined irregularly from March 15 to April 9 but subsequently rose slightly. The 1960-65 bonds showed a net loss of about  $\frac{3}{4}$  of 1 point on April 15, following a rise of about  $3\frac{1}{4}$  points in the previous month. The yield on this issue on April 15 was 2.14 per cent, compared with 2.03 per cent at the all-time peak in prices on December 10, and 2.30 per cent at the recent low in prices on February 15.