



**Member Bank Operations**

Loans at 50 weekly reporting member banks in the Tenth District increased somewhat from the middle of May to the third week of June to regain the level reached earlier in the year. Virtually all types of loans shared in this increase. A recent survey indicated that of a total of 351 million dollars of commercial loans at these banks at the end of April, about 6½ million was for defense purposes. In addition, these banks had commitments totaling 13¾ million on that date. Investments were little changed from the middle of May to the third week of June, a substantial decrease in holdings of Treasury bills and notes being about offset by large purchases of Government bonds, of obligations guaranteed by the Government, and of other securities. Loans at the third week of June were 20 but investments were only 4 per cent larger than a year ago.

Adjusted demand deposits at these 50 reporting banks have declined slightly from recent record levels, while interbank deposits by the third week of June had risen to a new high. Reserve balances carried at this bank also have declined from their recent peak, but correspondent balances carried at other banks continue very large. Adjusted demand deposits in the third week of June were 12 and interbank deposits 13 per cent higher than a year ago, while reserve balances were 8 and correspondent balances 6 per cent larger than last year.

**Principal items of condition of 50 member banks:**

	Change from		
	June 18 1941	May 14 1941	June 19 1940
	(In thousands of dollars)		
Loans and investments—total.....	759,609	+4,765	+75,165
Loans—total.....	358,616	+5,967	+60,655
Coml., indust., agric.....	212,208	+2,287	+37,094
Open market paper.....	25,185	+2,612	+4,387
To security brokers and dealers...	3,759	+8	+412
Other to purchase or carry secur..	9,957	-34	+299
Real estate loans.....	32,042	+75	+2,658
Loans to banks.....	324	+172	-82
All other loans.....	75,141	+847	+15,887
Investments—total.....	400,993	-1,202	+14,510
U. S. Treasury bills.....	7,229	-16,327	-6,492
U. S. Treasury notes.....	42,019	-5,303	-27,262
U. S. Govt. bonds.....	106,370	+6,376	+15,123
Oblig. guar. by U. S. Govt.....	106,819	+7,058	+39,380
Other securities.....	138,556	+6,994	-6,239
Reserve with F. R. Bank.....	205,776	-6,172	+14,513
Balances with domestic banks.....	330,384	+925	+19,535
Demand deposits—adjusted.....	595,575	-8,471	+64,811
Time deposits.....	143,536	-1,666	-2,092
U. S. Govt. deposits.....	12,826	+2,459	-10,830
Interbank deposits.....	469,221	+5,471	+52,360

**Reserve Bank Operations**

Note circulation of this bank continues to rise steadily to successive new high levels, increasing from an average of about 212 million dollars in March to 215 million in April, 218½ million in May, and 220½ million in the first half of June.

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

	June 18 1941	Change from	
		May 14 1941	June 19 1940
	(In thousands of dollars)		
Total reserves.....	478,327	-6,846	+99,962
Bills discounted.....	216	+32	-166
Industrial advances.....	579	+508	+484
Commit. to make indust. adv.....	819	+793	+652
U. S. Govt. sec., direct and guar...	106,140	0	-7,932
Total assets.....	634,759	-1,567	+100,855
F. R. notes in circulation.....	220,153	+1,967	+32,952
Member bank reserve deposits.....	285,546	-9,156	+19,983

Dollar volume of check collections increased somewhat during May although little change usually takes place in that month. Dollar volume in May was 20 and in the first five months of the year 17 per cent larger than in the corresponding periods a year ago.

**Check collections through this bank and branches:**

	ITEMS		AMOUNT	
	1941	1940	1941	1940
	(In thousands)			
May.....	6,263	6,002	\$1,168,058	\$ 970,454
April.....	6,275	6,015	1,134,270	953,472
Five months.....	30,593	29,462	5,547,560	4,729,976

**Bank Debits**

Debits to individual accounts by banks in reporting centers of the District, after increasing contrary to the usual seasonal trend during April, continued to rise during May. Volume of payments by check in May was 15 and in the first five months of the year 10 per cent above that in the same periods last year.

**Payments by check in thirty District cities:**

	May 1941	5 Mos. 1941	Change from 1940	
	(Thousand dollars)		May	5 Mos.
			(Per cent)	
Albuquerque, N. M.....	20,453	98,199	+18	+18
Atchison, Kans.....	3,435	15,694	+9	+10
Bartlesville, Okla....	28,309	135,642	+15	-1
Casper, Wyo.....	6,918	33,178	+19	+13
Cheyenne, Wyo.....	10,528	49,323	+25	+21
Colo. Springs, Colo....	12,384	69,863	-9	+8
Denver, Colo.....	178,049	867,217	+12	+14
Emporia, Kans.....	3,765	17,616	+22	+17
Enid, Okla.....	13,233	54,678	+25	+3
Fremont, Nebr.....	3,621	16,008	+18	+15
Gr. Junction, Colo....	3,754	17,611	+2	+3
Guthrie, Okla.....	1,585	7,829	+11	+11
Hutchinson, Kans....	12,687	55,239	-2	-11
Indep., Kans.....	3,144	14,708	+21	+12
Joplin, Mo.....	10,897	50,326	+15	+9
Kansas City, Kans....	20,050	96,889	+22	+16
Kansas City, Mo.....	396,124	1,722,723	+13	+10
Lawrence, Kans.....	4,952	19,353	+54	+13
Lincoln, Nebr.....	29,361	143,320	-1	+2
Muskogee, Okla.....	10,457	44,703	+38	+23
Okla. City, Okla.....	108,136	543,478	+15	+7
Okmulgee, Okla.....	2,830	13,871	+3	+4
Omaha, Nebr.....	172,391	808,269	+20	+16
Pittsburg, Kans.....	4,172	20,783	+13	+9
Pueblo, Colo.....	14,867	77,376	+9	+17
Salina, Kans.....	11,827	46,761	+35	+4
St. Joseph, Mo.....	31,206	150,709	+14	+11
Topeka, Kans.....	19,880	101,628	+19	+1
Tulsa, Okla.....	146,955	671,601	+10	+1
Wichita, Kans.....	65,045	295,436	+48	+33
District, 30 cities.....	1,351,015	6,260,031	+15	+10
U. S., 374 cities.....	43,665,000	207,376,000	+17	+13



**Trade**

**RETAIL SALES**

Retail buying is expanding sharply. Dollar volume of sales at reporting department stores in the District in May was 19 per cent above a year ago, and total sales for the first five months of 1941 showed an increase of 12 per cent over 1940. In the first three weeks of June, sales continued at a level about 12 per cent above last year. Retail prices, according to the Fairchild Index, have been gradually rising for nine months and are now about 4 per cent above a year ago.

Inventories and forward buying continue their upward trend. Stocks on hand at the end of May were 4 per cent larger than a year ago, and orders outstanding were more than double what they were at this time last year. Collection ratios for both regular and installment accounts show marked improvement.

Department store sales and stocks in leading cities :

	No. of Stores	SALES		STOCKS
		May '41 comp. to May '40	5 Mos.'41 comp. to 5 Mos.'40	May 31,'41 comp. to May 31,'40
(Per cent increase or decrease)				
Denver.....	7	+17	+11	+4
Hutchinson.....	3	+22	+15	....
Topeka.....	3	+12	+12	....
Wichita.....	4	+22	+14	....
Joplin.....	3	+19	....	....
Kansas City.....	8	+23	+14	+12
St. Joseph.....	3	+18	....	....
Omaha.....	4	+12	+8	....
Oklahoma City.....	6	+24	+15	+13
Tulsa.....	5	+11	+13	+5
Other cities.....	30	+20	+12	-2
District.....	76	+19	+12	+4

Sales of independent retail stores in various lines of business, by states, as reported by the Bureau of the Census :

	May 1941 per cent change from May 1940						
	Colo.	Kans.	Mo.	Nebr.	N.Mex.	Okla.	Wyo.
Apparel.....	+14	+30	+24	+22	+12	+12	+28
Automobile.....	+23	+61	+58	+26	+37	+46	....
Department.....	+12	+15	+20	+6	....	+13	....
Drug.....	+8	+15	+16	+12	+6	+11	+4
Dry goods.....	+1	+11	+10	+12	+5	+13	....
Food.....	+6	+11	+8	+7	+3	+9	+1
Furniture.....	+13	+16	+10	+11	....	+19	....
General.....	-2	+25	+16	+10	+11	+8	+9
Hardware.....	+10	+28	+12	+14	....	+15	....
Jewelry.....	+8	+32	+28	+25	....	+20	....
Lbr. and mtl's..	+12	+16	+11	+13	+7	+17	+8
Miscellaneous..	+3	+9	+15	+8	+18	+12	+12
Total.....	+12	+26	+22	+11	+16	+17	+17

**WHOLESALE SALES**

Wholesale sales have expanded further in response to the upsurge in retail buying and the tendency to build up retail stocks, and the value of May wholesale sales in this District was 20 per cent above a year ago as compared with an increase of 14 per cent for the first five months of the year. Wholesale stocks continue to rise rapidly and at the end of May were 14 per cent larger than a year earlier.

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

	No. of Firms	SALES		STOCKS
		May '41 comp. to May '40	5 Mos.'41 comp. to 5 Mos.'40	May 31,'41 comp. to May 31,'40
(Per cent increase or decrease)				
Auto. supplies.....	14	+9	+4	+12
Drugs.....	4	+9	+6	+7
Dry goods.....	4	+20	+14	-1
Electrical goods....	10	+26	+23	+42
Farm products.....	7	+34	+17	+69
Groceries.....	30	+12	+9	+15
Hardware—total..	(12)	+55	+31	....
General.....	3	+59	+34	....
Industrial.....	4	+53	+34	+16
Plbg. & htg.....	5	+40	+16	....
Jewelry.....	3	+40	....	....
Machinery.....	4	+47	+41	+47
Paper and prod....	4	+19	....	....
Tobacco and prod..	4	+10	+6	....
All other lines.....	18	+18	+20	+9
Total.....	114	+20	+14	+14

**Crops**

Winter wheat estimates for the District were raised further during May as the result of continued favorable growing conditions. Although the estimate for Oklahoma has been lowered considerably since the first of June, production in this area still appears to be nearly a fourth larger than a year ago and about the same amount above the average from 1930 to 1939. Wheat had generally attained rank growth as a result of excessive moisture this spring, and frequent and very heavy rains early in June caused much wheat in Oklahoma to lodge badly. There was also some direct loss from floods, and the wet weather tended to delay the maturing and harvesting of the crop. Drier weather since the middle of June has resulted in a simultaneous harvest over an unusually wide area, making for an exceptionally quick harvest rush movement of wheat to market. Plant rust is present in Oklahoma and Kansas, and Hessian fly and other insects have caused considerable loss of acreage in parts of Nebraska, Kansas, and Missouri.

Department of Agriculture winter wheat estimates :

	Indicated 1941			Final 1940	Aver. '30-'39
	June 16	June 1	May 1		
(In thousands of bushels)					
Colo.....	16,000	15,484	15,484	9,888	8,745
Kans.....	189,000	188,694	165,822	123,648	131,460
Mo.....	18,000	18,018	16,731	31,690	26,989
Nebr.....	35,000	33,060	30,780	33,696	41,151
N. Mex.....	2,000	1,616	1,262	1,410	2,478
Okla.....	60,000	71,296	62,384	56,332	47,682
Wyo.....	3,000	3,360	3,136	2,090	1,307
7 States.....	323,000	331,528	295,599	528,754	259,812
U. S.....	685,692	697,692	653,105	589,151	569,417

Prospects for oats, barley, rye, and hay crops also are substantially above the average from 1930 to 1939. The same is true of the peach crop in Colorado and Oklahoma. Washing rains, floods, and cut worm damage have necessitated much replanting of corn. May

precipitation in Colorado was 110, New Mexico 386, and Oklahoma 103 per cent of normal, while in Wyoming it was 71, Nebraska 64, Kansas 94, and Missouri 48 per cent of normal. Rainfall in April had been far above normal throughout the District, and dryness that developed in some areas during May generally was relieved by the early June rains.

### Rainfall

	May 1941		5 Mos. 1941	
	Total	Normal	Total	Normal
(In inches)				
<b>COLORADO</b>				
Denver.....	2.18	2.21	6.80	6.24
Leadville.....	1.28	1.30	8.38	7.38
Pueblo.....	1.74	1.60	3.59	4.28
Lamar.....	2.53	2.28	6.41	5.71
Garnett.....	.85	.57	3.80	1.87
Steamboat Springs....	1.90	2.20	10.20	11.07
<b>KANSAS</b>				
Topeka.....	3.78	4.48	12.65	11.81
Iola.....	2.60	4.74	12.12	14.03
Concordia.....	1.81	4.18	6.16	9.26
Salina.....	3.12	3.72	8.04	9.28
Wichita.....	2.89	4.46	9.45	11.15
Hays.....	2.86	3.46	9.98	7.83
Goodland.....	2.74	2.60	7.87	6.34
Dodge City.....	3.76	2.89	9.24	6.90
Elkhart.....	5.16	2.08	9.66	5.52
<b>MISSOURI</b>				
St. Joseph.....	3.57	4.70	13.13	13.32
Kansas City.....	3.18	4.65	13.57	13.26
Joplin.....	2.87	5.36	14.58	17.10
<b>NEBRASKA</b>				
Omaha.....	1.05	3.77	6.10	9.24
Lincoln.....	2.47	4.08	8.66	9.47
Norfolk.....	2.45	4.27	11.35	9.63
Grand Island.....	3.02	3.95	7.59	9.07
McCook.....	2.32	2.86	8.77	6.60
North Platte.....	1.55	2.78	6.50	6.73
Bridgeport.....	1.34	2.82	5.54	6.63
Valentine.....	.60	2.82	4.72	6.75
<b>NEW MEXICO</b>				
Clayton.....	7.49	2.44	14.95	5.67
Santa Fe.....	2.20	1.26	7.51	4.48
Farmington.....	2.25	.41	8.05	3.01
<b>OKLAHOMA</b>				
Tulsa.....	5.29	5.23	16.82	15.95
McAlester.....	1.70	5.97	14.18	18.71
Oklahoma City.....	5.22	4.88	14.65	12.45
Pauls Valley.....	3.43	5.20	15.14	14.27
Hobart.....	7.48	4.64	16.99	11.04
Enid.....	3.63	4.34	14.13	11.44
Woodward.....	8.66	3.51	18.78	9.11
<b>WYOMING</b>				
Cheyenne.....	.68	2.43	6.45	6.50
Casper.....	1.35	2.47	8.92	7.18
Lander.....	.98	2.26	9.79	6.70
Sheridan.....	1.52	2.65	6.10	7.28

### Grain Marketing

Wheat receipts at leading District markets were exceptionally heavy in May, due in part to the shifting of Government owned wheat from western states to the Gulf and to eastern points in order to make storage room for the new wheat crop. Such wheat, merely stopping in transit, alone accounted for nearly 40 per cent of total wheat receipts at Kansas City during the month. In addition, there was considerable further redemption and sale of wheat under Government loans as wheat prices advanced to new high levels for the current crop season.

### May grain receipts at five District markets:

	Wheat	Corn	Oats
	(In bushels)		
Hutchinson.....	1,935,000	....	3,000
Kansas City.....	10,682,000	449,000	142,000
Omaha.....	2,425,000	632,000	64,000
St. Joseph.....	339,000	161,000	238,000
Wichita.....	2,008,000	....	2,000
May 1941.....	17,389,000	1,242,000	449,000
Apr. 1941.....	8,316,000	1,537,000	631,000
May 1940.....	5,825,000	1,401,000	221,000
5 Mos. 1941.....	41,319,000	8,602,000	2,457,000
5 Mos. 1940.....	30,195,000	8,261,000	2,731,000

Cash wheat prices advanced strongly during the first three weeks of May, influenced principally by prospects for substantially higher loan rates for the 1941 crop, and this advance in prices resulted in the establishment by executive order on May 28 of import quotas for wheat. Toward the end of the month, the favorable new crop outlook and the proximity of another harvest rush movement caused a decline in prices as is usual at this season, but in the first half of June prices reacted to the announcement of the new loan rates and to trade reports of crop damage from excessive rains and recovered sharply, reaching a new high for the 1940 crop. The 1941 loan rate, which is 33 cents above last year's rate, has been set at \$1.10 a bushel, basis No. 2 winter wheat at Kansas City, and means a return to cooperating producers of about 98 cents a bushel, not including soil conservation and parity payments. Cash corn prices also advanced up to late May but have since eased somewhat.

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

	June 24	May 31	Apr. 30	May 31
	1941	1941	1941	1940
No. 1 hd., dk. wheat, bu..	\$ .96¼	\$ .85	\$ .86½	\$ .81
No. 2 mixed corn, bu.....	.67½	.66¾	.65	.65
No. 2 white oats, bu.....	.36½	.34	.36½	.38¼
No. 2 rye, bu.....	.58	.50½	.52	.45
No. 2 barley, bu.....	.45	.46½	.48	.51
No. 2 white kafir, cwt....	1.01	.94	.92	1.37

### Livestock

#### MARKETINGS

Cattle marketings were rather heavy during May, being a fourth larger than a year ago and about equal to the May average of the past ten years, but marketings of other livestock in May were considerably smaller than last year, with receipts of calves 25, hogs 14, and of sheep 28 per cent below average.

### May livestock receipts at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	35,031	4,510	37,602	90,825
Kansas City.....	96,613	14,184	199,804	142,285
Oklahoma City.....	31,956	8,018	56,666	20,853
Omaha.....	99,184	5,201	132,392	124,145
St. Joseph.....	27,081	3,985	67,488	73,785
Wichita.....	18,456	2,553	28,000	23,799
May 1941.....	308,321	38,451	521,952	475,692
Apr. 1941.....	321,804	40,190	472,395	577,509
May 1940.....	248,262	48,537	548,355	532,726
5 Mos. 1941.....	1,488,764	205,372	2,504,758	2,495,994
5 Mos. 1940.....	1,270,364	222,637	2,848,014	2,546,179



PRICES

Beef steer prices continued to decline during May, under pressure from heavy marketings and other seasonal influences, but in the forepart of June prices strengthened somewhat with improvement in the demand for dressed beef. Beef steer prices are the lowest in nearly a year and are quite low in relation to stocker and feeder cattle prices, with the result that feeding operations are now largely unprofitable. Prices of the lower grades of cattle have been greatly aided by Government purchases of meat and by the tendency of producers to withhold breeding stock from marketings, although imports of fresh and canned beef and the recent price ceiling placed on hides have been unsettling influences. Stocker and feeder cattle prices are well sustained, seasonally light supplies meeting with continued good demand. Prices of slaughter lambs, which also had been declining in May, rose sharply in the first week of June to equal the four-year high of \$12.50 a hundredweight established last April but have since turned downward again. Hog prices, supported in large part by Government buying of pork and lard for export to Great Britain, have continued to rise and on June 23 prices had reached \$10.65 a hundredweight, their highest point in nearly four years. Hog prices are now close to so-called parity with the 1909-1914 average, while cattle and lamb prices already are well above parity. Virtually all livestock prices are at the highest levels for the season since 1937, with stocker and feeder cattle the highest since 1930.

Top carlot livestock prices at Kansas City:

	June 24 1941	May 1941	Apr. 1941	May 1940	May 1939	May 1938
	(In dollars per hundredweight)					
Beef steers.....	11.50	11.75	12.75	11.75	11.00	10.00
Stocker cattle.....	11.50	12.15	12.65	11.00	10.25	8.75
Feeder cattle.....	10.75	11.15	11.25	10.40	10.60	9.00
Calves.....	11.50	12.00	12.00	10.50	10.00	9.50
Hogs.....	10.45	9.40	9.05	6.00	6.80	8.60
Sheep.....	8.00	8.25	9.50	8.00	8.00	6.75
Lambs.....	11.75	12.00	12.50	11.35	11.35	9.50

STOCKERS AND FEEDERS

Countryward shipments of stocker and feeder cattle and calves from public markets remained in rather heavy volume through May. The movement of cattle was 25 and calves 9 per cent above but of sheep 13 per cent below the May ten-year average.

May stocker-feeder shipments from four markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	9,909	1,812	12	5,115
Kansas City.....	40,993	5,275	2,693	18,621
Omaha.....	13,447	2,038	1,011	21,889
St. Joseph.....	5,738	1,301	1,327	7,114
May 1941.....	70,087	10,426	5,043	52,739
Apr. 1941.....	94,945	13,879	3,889	52,681
May 1940.....	57,549	15,221	5,850	55,435
5 Mos. 1941.....	365,629	61,577	20,617	325,236
5 Mos. 1940.....	291,057	67,163	26,495	262,281

The spring movement of southwestern cattle into the Osage pastures of Oklahoma totaled about 63,000 and into the Blue Stem (Flint Hills) pastures of Kansas about 177,000 head. This was an increase of 12 per cent over last year for the Osage and 7 per cent for the Blue Stem pastures. Although the number of cattle shipped in was below that two years ago and from 15 to 20 per cent below the average from 1930 to 1939, these pastures are well filled because of the large number of cattle carried over on feed through the winter. Cattle are in very good flesh and are making rapid gains because of excellent pastures.

RANGES AND PASTURES

The very favorable outlook for summer range and pasture feeds in the District was further improved by May and early June rains so that ranges and pastures are the best in ten years or more. Livestock also is in very good condition. Large calf and lamb crops this spring are reported generally. The excellent range and pasture feed available continues to encourage the tendency to restock cattle herds, mostly through the retention of the natural increase in local herds rather than by purchases of stocker animals at present relatively high prices. Contracting of calves and lambs in western states for fall delivery to Corn Belt feeders so far has been limited, but prices offered are well above those received last year. Wool prices this spring were nearly a third higher than last year and were higher than at any time since 1928-1929.

Farm Income

Cash farm income in the District in April and in the first four months of the year was 5 per cent larger than last year. Government payments in April were only a third and for the year to date two-thirds of what they were a year ago, but there has been an increase of about 17 per cent in income from farm marketings. Most of this increase represents larger returns from livestock and livestock products, especially meat animals, and is the result of both increased marketings and higher prices. Income from crops shows relatively little increase over last year because of smaller income from grains, due in part to the large volume of wheat already under loan and the smaller volume of corn being placed under loan.

Department of Agriculture farm income estimates:

	Apr. 1941	4 Mos. 1941	Change from 1940	
	(Thousand dollars)		Apr.	4 Mos.
			(Per cent)	
Colorado.....	11,376	42,636	+14	+2
Kansas.....	22,015	91,454	+5	+4
Missouri.....	22,477	91,050	+14	+14
Nebraska.....	18,629	86,776	-15	-6
New Mexico.....	3,983	13,305	+18	+6
Oklahoma.....	12,017	58,964	+11	+15
Wyoming.....	4,304	13,544	+22	+5
Seven states.....	94,801	397,729	+5	+5
United States.....	703,792	2,771,427	+12	+6

**Meat Packing**

Meat-packing operations in the District increased further during May notwithstanding some decline in livestock receipts and a continued brisk country demand for market supplies of stocker and feeder animals. The slaughter of cattle was unusually heavy, being more than a fourth larger than a year ago and somewhat above the May average of the past ten years. The slaughter of other livestock generally was little different from last year, with that of calves 34, hogs 9, and sheep 16 per cent below average.

May packers' purchases at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	16,496	2,733	33,225	31,716
Kansas City.....	48,261	8,975	192,774	93,309
Oklahoma City.....	14,446	5,425	41,609	13,960
Omaha.....	74,092	3,163	123,267	81,813
St. Joseph.....	20,173	2,693	65,866	65,350
Wichita.....	8,229	1,527	25,115	22,161
May 1941.....	181,697	24,516	481,856	308,309
Apr. 1941.....	165,677	22,426	424,227	363,492
May 1940.....	142,234	26,843	499,375	305,428
5 Mos. 1941.....	823,988	121,160	2,228,892	1,590,129
5 Mos. 1940.....	757,877	135,625	2,498,422	1,538,456

**Cold Storage Holdings**

Reflecting chiefly rather heavy slaughter, United States cold storage stocks of meats declined less than is usual during May and stocks of lard rose to a new all-time high. Holdings of poultry declined more than is usual but there was a heavy into-storage movement of butter and cheese as a result of excellent pasture conditions and Government support of butter prices. Holdings of poultry, butter, and cheese are at record levels for the season. June 1 stocks of all commodities were substantially above the average for that date during the past five years except for shell eggs.

United States cold storage holdings:

	June 1 1941	May 1 1941	June 1 1940	Aver. '36-'40
(In thousands of units)				
Beef, lbs.....	77,501	85,563	53,193	51,749
Pork, lbs.....	794,582	795,876	592,575	533,524
Lamb and mutton, lbs.....	4,129	4,718	3,463	2,322
Poultry, lbs.....	87,427	101,129	76,904	64,004
Miscellaneous meats, lbs...	76,715	79,924	77,184	68,786
Lard, lbs.....	353,737	321,074	283,937	168,197
Eggs, shell, cases.....	5,377	3,031	5,980	5,993
Eggs, frozen (case equiv.)	4,060	2,844	3,537	3,427
Butter, creamery, lbs.....	56,359	17,795	25,463	41,845
Cheese, all varieties, lbs....	119,628	108,335	88,102	82,864

**Flour Milling**

Southwestern flour production this year is running about 10 per cent ahead of last year, and output during May was 13 per cent above the average of the past ten years. Flour sales were in large volume in the first half of May and again early in June during periods of exceptional strength in prices of wheat and other commodities. The buying movement was fairly general and largely represented sales for shipment within 60 to 90 days. Buyers' stocks of flour are reported to be

low, and the backlog of orders on mills' books also is below normal for the season. Export trade, which previously had shown some improvement with an increase in the subsidy, has again declined.

Flour output reported by the Northwestern Miller:

	May 1941	5 Mos. 1941	Change from 1940 May	5 Mos.
(In barrels)				
Kansas City.....	560,000	2,755,000	+9	+5
Salina.....	193,000	914,000	+6	-4
Wichita.....	165,000	835,000	+13	+24
Other cities.....	1,238,000	6,111,000	+12	+11
Southwest.....	2,156,000	10,615,000	+10	+9
United States*.....	5,785,000	28,434,000	+5	+4

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

**Petroleum**

Crude oil production in the District in May continued at a level 6 per cent above a year ago and about the same amount above the average of the past ten years. The increase is due chiefly to larger production in Kansas and Wyoming this year.

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

	May 1941	5 Mos. 1941	Change from 1940 May	5 Mos.
(In barrels)				
Colorado.....	118,000	555,000	-7	+8
Kansas.....	6,513,000	30,821,000	+25	+19
Nebraska.....	134,000	537,000	....	....
New Mexico.....	3,460,000	15,992,000	+3	-6
Oklahoma.....	12,858,000	63,051,000	-4	-5
Wyoming.....	2,549,000	11,894,000	+19	+20
Six states.....	25,632,000	122,850,000	+6	+3
United States.....	116,218,000	549,655,000	-2	-5

Notwithstanding the higher level of production, stocks of crude petroleum produced in this District have been declining steadily since early in April and are now very little above their extreme low of late 1939. The recent advances in crude oil prices were accompanied or followed by advances in prices of refined products, notably gasoline for which domestic consumption is at a new record level. The rise in the price of crude has also resulted in increased drilling activity, especially in Kansas.

**Coal**

Output of bituminous coal in the District both in May and in the first five months of the year was little changed from that of a year ago.

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

	May 1941	5 Mos. 1941	Change from 1940 May	5 Mos.
(In tons)				
Colorado.....	341,000	2,691,000	0	-5
Kans. and Mo.....	389,000	3,151,000	+10	+5
New Mexico.....	75,000	479,000	-9	+1
Oklahoma.....	43,000	625,000	-22	-2
Wyoming.....	376,000	2,411,000	+5	+7
Six states.....	1,224,000	9,357,000	+3	+2
United States.....	43,400,000	183,390,000	+24	-2



**Zinc and Lead**

Zinc and lead shipments from the Tri-State district in May continued above a year ago although the gain was not so large as in other recent months. Production of zinc has increased further with the inauguration of a six-day work week at some companies, the weekly rate of output rising by the end of May to the highest point since the peak levels of 1937. Demand for zinc is strong and shipments are equal to production. Prices of zinc and lead concentrates, reflecting Federal control over metal prices, are unchanged.

May ore shipments from the Tri-State district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Kansas.....	13,023	\$ 626,477	1,514	\$ 104,731
Missouri.....	1,820	87,812	147	10,264
Oklahoma.....	24,022	1,158,846	2,403	165,750
May 1941.....	38,865	\$1,873,135	4,064	\$ 280,745
Apr. 1941.....	39,758	1,915,855	4,400	303,868
May 1940.....	37,048	1,405,979	3,966	231,085
5 Mos. 1941.....	190,224	9,169,201	20,504	1,376,929
5 Mos. 1940.....	168,234	6,273,707	18,735	1,123,008

**Employment and Pay Rolls**

Employment in the District in May was 10 and in the first five months of the year averaged about 6 per cent above a year ago. Pay rolls are increasing much more rapidly than employment.

Preliminary figures of the Department of Labor:

	EMPLOYMENT		PAY ROLLS	
	May 1941	5 Mos. 1941	May 1941	5 Mos. 1941
	(Per cent change from a year ago)			
Colorado.....	+7	+4	+12	+7
Kansas.....	+14	+11	+20	+14
Missouri.....	+13	+7	+23	+15
Nebraska.....	+6	+2	+12	+5
New Mexico.....	+20	+20	+45	+35
Oklahoma.....	+2	+3	+7	+6
Wyoming.....	-3	-1	-6	+1
Seven states....	+10	+6	+18	+12

**Building**

Construction awards in the Kansas City area in May were more than two and a half times what they were a year ago, due in large part to the inclusion of defense projects for which contracts had been let prior to May but which could not be included earlier because of insufficient data. Such contracts were mostly for aircraft assembly plants and represented fully 75 per cent of nonresidential building reported for the month. Total awards for the year to date are half again larger than in the same period last year.

Construction figures of F. W. Dodge Corporation:

	May	5 Mos.	Change from 1940	
	1941	1941	May	5 Mos.
	(Thousand dollars)		(Per cent)	
Residential building..	7,697	25,201	+47	+41
Nonresidential bldg...	21,023	34,839	+426	+132
Public wks. construc..	5,038	18,992	+2	-8
Utility construction..	5,700	12,641	+686	+193
Kansas City area.....	39,458	91,673	+165	+58
37 Eastern states.....	548,700	2,010,856	+67	+55

The value of building permits issued in reporting District cities in May and in the first five months of the year was 18 per cent larger than a year ago. The May gain reflected chiefly substantial increases at Lincoln and Wichita and in the metropolitan Kansas City area as most other centers reported a decrease.

Value of building permits issued in District cities:

	May	5 Mos.	Change from 1940	
	1941	1941	May	5 Mos.
	(Dollars)		(Per cent)	
Albuquerque, N. M..	171,000	1,236,000	-20	+33
Cheyenne, Wyo.....	243,000	736,000	+74	+22
Colo. Springs, Colo..	50,000	252,000	-82	-48
Denver, Colo.....	1,621,000	6,519,000	+13	+26
Hutchinson, Kans...	31,000	185,000	-40	-12
Joplin, Mo.....	21,000	145,000	-58	-32
Kansas City, Kans..	92,000	347,000	+149	-21
Kansas City, Mo.....	618,000	1,942,000	+103	+62
Lincoln, Nebr.....	814,000	1,359,000	+252	+21
Okl. City, Okla.....	566,000	2,432,000	-4	+6
Omaha, Nebr.....	386,000	1,680,000	-9	-25
Pueblo, Colo.....	275,000	654,000	+80	+42
Salina, Kans.....	41,000	152,000	-52	-47
Shawnee, Okla.....	28,000	105,000	-43	0
St. Joseph, Mo.....	11,000	434,000	-73	+178
Topeka, Kans.....	133,000	536,000	-16	-27
Tulsa, Okla.....	550,000	2,559,000	-36	+11
Wichita, Kans.....	613,000	2,328,000	+235	+119
District, 18 cities....	6,264,000	23,601,000	+18	+18

**Lumber**

Board feet lumber sales at reporting retail yards in the District expanded further as is usual during May. Sales for May were 28 and total sales for the first five months of the year were 30 per cent larger than in the corresponding periods a year ago.

Stocks of lumber have remained virtually unchanged in recent months but are about 15 per cent heavier than at this time last year. The collection ratio continues to show marked improvement.

Lumber trade at 151 chain retail yards:

	May 1941	
	per cent change from April 1941	May 1940
Sales of lumber, board feet.....	+7	+28
Sales of all materials, dollars.....	+7	+22
Stocks of lumber, board feet.....	0	+15
Outstandings, dollars.....	+8	+15

**Life Insurance**

Life insurance sales in the District in May were 5 per cent under a year ago, while total sales for the year to date are little changed from last year.

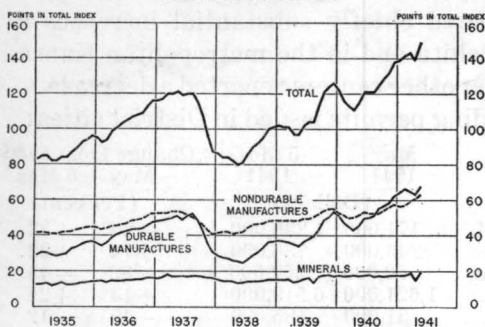
The Life Insurance Sales Research Bureau report:

	May	5 Mos.	Change from 1940	
	1941	1941	May	5 Mos.
	(Thousand dollars)		(Per cent)	
Colorado.....	5,011	23,661	+4	+3
Kansas.....	7,520	33,056	+10	+10
Missouri.....	17,449	81,647	-9	-2
Nebraska.....	6,726	28,047	-3	+4
New Mexico.....	1,008	4,987	-32	-24
Oklahoma.....	7,483	36,034	-10	-7
Wyoming.....	1,028	4,969	-1	+8
Seven States.....	46,225	212,401	-5	0
United States.....	604,162	2,859,901	+6	+4

## NATIONAL SUMMARY OF BUSINESS CONDITIONS

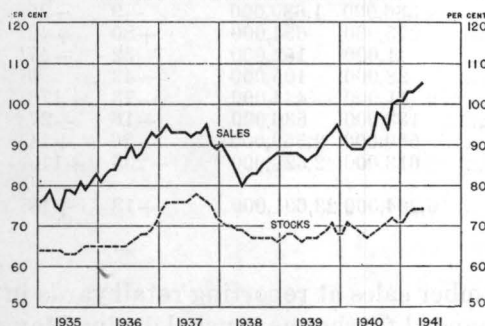
By the Board of Governors of the Federal Reserve System

## INDUSTRIAL PRODUCTION



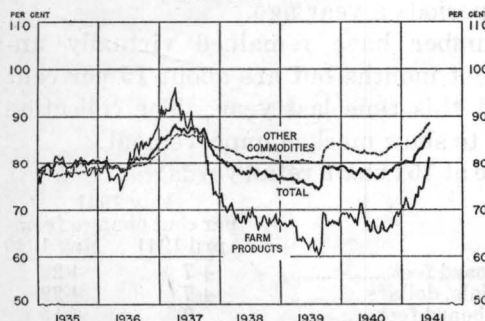
Federal Reserve index of physical volume of production, adjusted for seasonal variation, 1935-39 average=100. Subgroups shown are expressed in terms of points in the total index. By months, January, 1935, through May, 1941.

## DEPARTMENT STORE SALES AND STOCKS



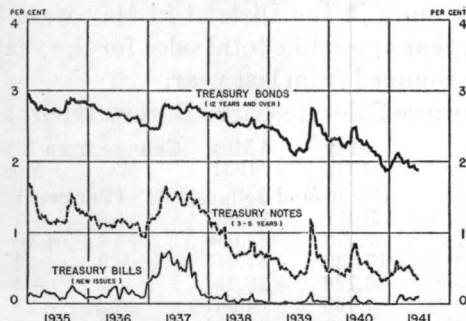
Federal Reserve indexes of value of sales and stocks, adjusted for seasonal variation, 1923-25 average=100. By months, January, 1935, through May, 1941.

## 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 June 14, 1941.

## MONEY RATES IN NEW YORK CITY



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. For weeks ending January 5, 1935, through June 14, 1941.

After a slight decline in April industrial activity increased sharply in May and the first half of June. Wholesale commodity prices showed a further considerable advance and retail prices also increased. Distribution of commodities to consumers was maintained in large volume.

## PRODUCTION

Volume of industrial output increased sharply in May, following a decline in April, and the Board's seasonally adjusted index rose to 149 per cent of the 1935-1939 average, as compared with 140 in April and 143 in March. The decline in April had reflected mainly reduced output of bituminous coal and automobiles occasioned by shutdowns accompanying industrial disputes. These were settled during the month and in May and the first half of June output in these industries rose to the high levels prevailing earlier.

In a number of other lines activity increased steadily throughout the spring months, particularly in the machinery, aircraft, and shipbuilding industries. Steel production was maintained at 99 per cent of capacity, except for a short period during late April and early May when output was reduced somewhat owing to a shortage of coal. Output of nonferrous metals also continued near capacity; deliveries of foreign copper in May increased to 49,000 tons, amounting to about one-third of total deliveries to domestic consumers. Toward the end of the month, as it became apparent that combined military and civilian need for these metals would soon greatly exceed available supplies, a General Preference Order covering all iron and steel products was issued by the Priorities Division of the Office of Production Management and in June mandatory priority controls were established for copper and zinc.

Textile production rose further in May, reflecting increased activity at cotton, wool, and rayon mills. A continued rise in output of manufactured food products was likewise reported and activity in the chemical and shoe industries was maintained at earlier high levels, although usually there is a considerable decline at this season. Petroleum production increased, and output of anthracite also advanced following some curtailment in April. Iron ore shipments amounted to 11,000,000 tons in May, a new record level and near the shipping capacity of the present Lake fleet.

Value of construction contract awards rose sharply in May, reflecting increases in both public and private construction, according to F. W. Dodge reports. Awards for private residential and nonresidential building increased more than seasonally, and contracts for defense projects continued in large volume.

## DISTRIBUTION

Distribution of commodities to consumers was sustained at a high level in May. Department store sales showed a further rise, while sales at variety stores declined by slightly more than the usual seasonal amount. Retail sales of new automobiles continued at the high April level and sales of used cars rose further.

Freight carloadings increased sharply in May, reflecting a marked rise in coal shipments and a further expansion in loadings of miscellaneous freight. In the first half of June total loadings were maintained at the advanced level of other recent weeks.

## COMMODITY PRICES

Wholesale prices of a number of agricultural and industrial commodities showed further increases from the middle of May to the middle of June and the general index of the Bureau of Labor Statistics advanced two points to 87 per cent of the 1926 average. Federal action to limit price increases was extended to some consumer goods, principally new automobiles, hides, and certain cotton yarns. In retail markets prices of most groups of commodities have advanced, reflecting in part increases in wholesale prices earlier this year.

## BANK CREDIT

Commercial loans at reporting banks in 101 cities continued to rise during the four weeks ending June 11. Bank holdings of United States Government securities increased further, chiefly through the purchase of bills by New York City banks and of bonds by banks in other leading cities. As a result of the expansion in loans and investments bank deposits continued to increase.

## UNITED STATES GOVERNMENT SECURITY PRICES

Following a rise in the latter part of May Treasury bond prices declined slightly in the first half of June. On June 14 the 1960-65 bonds were  $\frac{7}{8}$  of a point below the all-time peak in prices of December 10. Yields on both taxable and tax-exempt 3- to 5-year notes declined slightly from the middle of May to the middle of June.