

MONTHLY REVIEW

Agricultural and Business Conditions

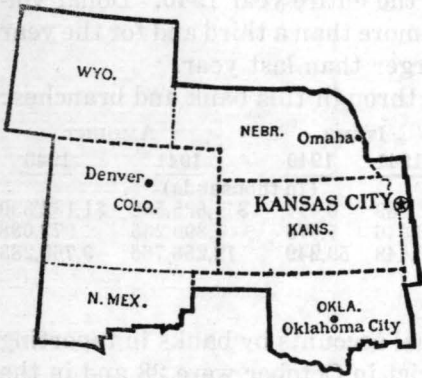
TENTH FEDERAL RESERVE DISTRICT

VOL. 26, No. 11

FEDERAL RESERVE BANK OF KANSAS CITY

NOVEMBER 29, 1941

Business in the Tenth Federal Reserve District



Gains in retail trade in recent weeks have been more moderate than last summer. Floods in some areas were partly responsible but nearly everywhere the pace has been somewhat slower. At the same time inventories have risen sharply. Department store stocks at the end of October were 30% higher than last year while at the end of September they had been only 17% higher. Wholesale stocks in October made about the same relative gain.

October rainfall in the District averaged nearly three times normal and there was extensive flood damage in many places.

Cattle slaughter and the production of flour, petroleum, coal, lead, and zinc continue very active. Under the stimulus of national defense, construction is in large volume but non-defense residential building and lumber sales are below a year ago.

In October bank loans were 6% higher than in September and 37% above last year.

	OCTOBER 1941 COMPARED WITH OCTOBER 1940						BUSINESS INDICATORS	10 MOS. 1941 COMPARED WITH 10 MOS. 1940					
	% DECREASE			% INCREASE				% DECREASE			% INCREASE		
	40	30	20	10	10	20		30	40	40	30	20	10
							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.						

-61

+58

+105

-61

+64

+84

+64

+52

Member Bank Operations

Loans at 50 weekly reporting member banks in the Tenth District continued to rise rapidly from the middle of October to the middle of November, reflecting chiefly a further expansion in commercial, industrial, and agricultural loans. In the third week of November, however, loans declined for the first time since early last May. Investments decreased moderately during this five-week period. Holdings of direct Government obligations, which previously had risen sharply, showed some further increase, but holdings of guaranteed obligations and of other securities continued to decline. Loans are 37 but investments only 1 per cent above a year ago.

Adjusted demand deposits at these 50 reporting banks reached a new record level early in November but subsequently declined somewhat, and interbank deposits also are somewhat below their high point two months ago. Reserve balances carried at this bank increased sharply to a new record level early in November, partly in response to the increase in reserve requirements effective November 1. At the same time, balances carried at other banks were drawn down further. Adjusted demand deposits are 16, interbank deposits 12, and reserve balances 20 per cent larger than a year ago, but balances carried at other banks are 6 per cent smaller.

Principal items of condition of 50 member banks:

	Change from		
	Nov. 19 1941	Oct. 15 1941	Nov. 20 1940
	(In thousands of dollars)		
Loans and investments—total.....	860,313	+14,202	+125,423
Loans—total.....	457,470	+19,638	+122,942
Coml., indust., agric.....	286,180	+15,746	+85,531
Open market paper.....	28,951	-675	+8,029
To security brokers and dealers..	3,191	+419	-503
Other to purchase or carry secur.	11,690	+921	+2,003
Real estate loans.....	33,041	+139	+2,439
Loans to banks.....	489	+248	-97
All other loans.....	93,928	+2,840	+25,540
Investments—total.....	402,843	-5,436	+2,481
U. S. Treasury bills.....	23,909	+647	-7,210
U. S. Treasury notes.....	45,744	+4,993	-14,122
U. S. Govt. bonds.....	112,762	+650	+19,515
Oblig. guar. by U. S. Govt.....	92,083	-8,477	+11,050
Other securities.....	128,345	-3,249	-6,752
Reserve with F. R. Bank.....	240,361	+18,022	+40,110
Balances with domestic banks.....	287,910	-28,866	-16,914
Demand deposits—adjusted.....	654,553	-1,621	+87,992
Time deposits.....	142,769	+731	-3,504
U. S. Govt. deposits.....	18,157	+6,922	-1,224
Interbank deposits.....	490,959	-9,420	+53,548

Reserve Bank Operations

Note circulation of this bank is rising steadily at the rate of about 5 million dollars a month, circulation reaching a new record level of nearly 247 million dollars in the third week of November and averaging nearly 245 million in the first half of the month as compared with 242 $\frac{3}{4}$ million in October, 237 $\frac{2}{3}$ million in September, and 232 $\frac{1}{3}$ million in August.

Principal items of condition of this Reserve Bank:

	Change from		
	Nov. 19 1941	Oct. 15 1941	Nov. 20 1940
	(In thousands of dollars)		
Total reserves.....	548,342	+30,121	+128,152
Bills discounted.....	3,326	+3,030	+1,998
Industrial advances.....	95	-1	-117
Commit. to make indust. adv.....	1,501	0	+1,373
U. S. Govt. sec., direct & guar.....	93,932	0	-14,629
Total assets.....	701,740	+25,279	+129,961
F. R. notes in circulation.....	246,321	+3,989	+43,115
Member bank reserve deposits.....	337,904	+28,998	+61,598

Dollar volume of check collections since last summer has been rising to successive new high monthly levels and in the first ten months of 1941 has already exceeded the total for the entire year 1940. Dollar volume in October was more than a third and for the year to date a fourth larger than last year.

Check collections through this bank and branches:

	ITEMS		AMOUNT	
	1941	1940	1941	1940
	(In thousands)			
October.....	6,689	6,414	\$ 1,525,562	\$1,132,330
September.....	6,346	5,675	1,390,235	973,088
Ten months.....	62,448	59,249	12,256,766	9,765,283

Bank Debits

Debits to individual accounts by banks in reporting centers of the District in October were 28 and in the first half of November about 23 per cent above a year ago. So far in 1941, the volume of payments by check has increased nearly 20 per cent and already is larger than that for the whole year 1940.

Payments by check in thirty District cities:

	Change from 1940	
	Oct. 1941	10 Mos. 1941
	(Thousand dollars)	
Albuquerque, N. M.....	27,312	214,795
Athison, Kans.....	3,948	34,570
Bartlesville, Okla.....	33,785	299,028
Casper, Wyo.....	9,704	72,300
Cheyenne, Wyo.....	13,053	107,880
Colo. Springs, Colo.....	17,015	144,194
Denver, Colo.....	230,283	1,905,225
Emporia, Kans.....	4,897	37,479
Enid, Okla.....	14,247	130,778
Fremont, Nebr.....	3,649	33,784
Gr. Junction, Colo.....	4,492	37,429
Guthrie, Okla.....	1,929	16,492
Hutchinson, Kans.....	14,256	137,108
Indep., Kans.....	3,132	31,031
Joplin, Mo.....	14,156	109,477
Kansas City, Kans.....	23,288	207,022
Kansas City, Mo.....	416,754	3,791,382
Lawrence, Kan.....	4,278	39,969
Lincoln, Nebr.....	32,308	294,757
Muskogee, Okla.....	11,875	95,745
Okla. City, Okla.....	132,706	1,130,663
Okmulgee, Okla.....	3,108	28,028
Omaha, Nebr.....	209,406	1,764,048
Pittsburg, Kans.....	4,994	44,366
Pueblo, Colo.....	19,126	167,803
Salina, Kans.....	10,769	110,065
St. Joseph, Mo.....	36,715	320,601
Topeka, Kans.....	18,900	207,220
Tulsa, Okla.....	179,184	1,495,532
Wichita, Kans.....	74,426	660,775
District, 30 cities.....	1,573,695	13,669,546
U. S., 274 cities.....	50,874,000	435,717,000

Trade

RETAIL SALES

Dollar volume of department store sales in the District in July, August, and September had been at a very high level about 25 per cent above a year ago. In October, sales declined though normally they increase during that month, and dollar volume in October was only 13 and in the first two weeks of November only 6 per cent above last year. Part of the current narrowing in trade gains is due to the fact that sales at this time last year were beginning to rise rapidly. Since retail prices, according to the Fairchild Index, are nearly 14 per cent higher than a year ago, the physical volume of sales now is probably no larger than last year. Inventories increased sharply during October and, in terms of dollars, are nearly a third above a year ago. Orders outstanding, which had been running about double a year ago, declined correspondingly to a level 48 per cent above last year.

Department store sales and stocks in leading cities:

	No. of Stores	SALES		STOCKS
		Oct. '41 comp. to Oct. '40	10 Mos.'41 comp. to 10 Mos.'40	Oct.31,'41 comp. to Oct.31,'40
		(Per cent increase or decrease)		
Denver.....	7	+13	+17	+29
Hutchinson.....	3	-3	+17	....
Topeka.....	3	+3	+12	....
Wichita.....	4	+27	+23	....
Joplin.....	3	+21	+22	....
Kansas City.....	8	+13	+17	+45
St. Joseph.....	3	0	+10	....
Omaha.....	4	+17	+14	....
Oklahoma City.....	6	+6	+16	+38
Tulsa.....	6	+23	+16	+30
Other cities.....	31	+4	+13	+20
District.....	78	+13	+16	+30

Sales of independent retail stores, by states, as reported by the Bureau of the Census:

	Oct. 1941 per cent change from Oct. 1940						
	Colo.	Kans.	Mo.	Nebr.	N.Mex.	Okla.	Wyo.
Apparel.....	+13	+28	+19	+18	+13	+23	+26
Automobile.....	-14	-17	-19	-30	-24	-33	-16
Department.....	+12	+24	+16	+13	....	+11	....
Drug.....	+6	+7	+12	-2	+3	+3	0
Dry goods.....	+16	+17	+11	+11	-6	+12	....
Food.....	+13	+12	+13	+13	+3	+9	+3
Furniture.....	-7	+12	+4	+6	....	+8	....
General.....	+12	+21	+19	+22	+15	+14	+8
Hardware.....	+13	+28	+28	+12	....	+12	....
Jewelry.....	+7	+27	+2	+23	+1	-5	....
Lbr. and mtls....	+7	+9	+12	+16	+5	+7	-9
Miscellaneous..	+17	+29	+32	+11	+19	+27	+21
Total.....	+6	+12	+13	+7	-3	+5	+2

WHOLESALE SALES

Wholesale sales continue to show a greater increase than retail sales, the value of October wholesale sales in this District being 26 per cent above last year. However, this increase was the smallest in five months. Wholesale inventories, as in the case of retail stocks, increased sharply in October, rising to a level 23 per cent above last year.

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

	No. of Firms	SALES		STOCKS
		Oct. '41 comp. to Oct. '40	10 Mos.'41 comp. to 10 Mos.'40	Oct.31,'41 comp. to Oct.31,'40
		(Per cent increase or decrease)		
Auto. supplies.....	16	+24	+14	+18
Clothing.....	3	+40	....	+5
Drugs.....	3	+26	+12	+21
Dry goods.....	3	+35	+29	-8
Electrical goods....	13	+71	+51	+55
Farm products.....	12	+30	+34	+8
Furniture.....	3	+47	+33	....
Groceries.....	26	+9	+12	+26
Hardware—total..	(17)	+47	+44	+11
General.....	6	+26	+42	+10
Industrial.....	5	+133	+57	+12
Plbg. & htg.....	6	+23	+29	+14
Jewelry.....	3	+29	+48	-10
Machinery.....	4	+57	+50	+55
Paper and prod....	3	+37	+19	....
Tobacco and prod..	6	-6	+7	....
All other lines.....	14	+28	+26	+30
Total.....	126	+26	+23	+23

Crops

Excessive rainfall in October and early November delayed the maturing and harvesting of many late crops, lowering both yields and quality, particularly in Kansas, Oklahoma, and New Mexico. In addition to direct flood loss, there was some moisture damage to standing crops and rather widespread damage to hay and forage in stacks and shocks.

Volunteer fields of winter wheat and early seeded fields benefited greatly from the moisture and have made excellent growth in central and western Kansas and adjacent parts of other states, but the heavy rains washed out many late seeded fields and further delayed seeding operations eastward. About half of the intended acreage in eastern Kansas still remained to be seeded when farmers were able to get into their fields after the middle of November, far beyond the optimum seeding date. Private estimates early in November placed wheat acreage this fall at around 11,200,000 acres in Kansas, 4,200,000 in Oklahoma, and probably somewhat above 3,000,000 in Nebraska, indicating a decrease of about 14 per cent from last year in Kansas and Oklahoma and of about 5 per cent in Nebraska. The 1941 Government allotment for Kansas is 11,371,000 acres, for Oklahoma 4,004,000, and for Nebraska 3,146,000 acres.

Soil moisture tests in wheat fields in the western two-thirds of Kansas late in October showed moisture to an average depth of about 44 inches this fall compared with about 28 inches a year ago and 26 inches two years ago. The moisture content of the soil also was much greater this fall than for many years, with the surface soil practically saturated.

October rainfall in Wyoming and Nebraska was 119, Colorado 261, New Mexico 263, Kansas 330, Okla-

homa 378, and in Missouri 353 per cent of normal in contrast to the marked deficiency in October last year. So far this year, Wyoming has had 129, Nebraska 104, Colorado 143, New Mexico 206, Kansas 142, Oklahoma 152, and Missouri 106 per cent of normal moisture, more than half again larger than last year.

Rainfall

	Oct. 1941		10 Mos. 1941	
	Total	Normal	Total	Normal
	(In inches)			
COLORADO				
Denver.....	1.95	1.05	15.86	12.77
Leadville.....	1.82	1.26	15.68	16.62
Pueblo.....	2.56	.66	16.04	10.81
Lamar.....	2.70	1.03	21.35	14.91
Steamboat Springs....	3.01	1.97	20.77	19.67
KANSAS				
Topeka.....	10.65	2.42	41.73	31.05
Iola.....	7.30	3.16	48.66	34.56
Concordia.....	5.87	1.97	27.64	24.93
Salina.....	7.36	2.00	35.78	25.07
Wichita.....	4.81	2.59	31.55	27.72
Hays.....	2.35	1.55	26.52	22.06
Goodland.....	1.08	1.37	26.79	17.42
Dodge City.....	3.89	1.30	28.89	19.21
Elkhart.....	4.98	1.66	25.68	16.13
MISSOURI				
St. Joseph.....	6.59	2.89	34.80	32.69
Kansas City.....	11.94	2.92	43.92	33.95
Joplin.....	16.67	3.45	52.31	39.06
NEBRASKA				
Omaha.....	3.57	2.17	25.06	25.77
Lincoln.....	3.03	1.88	21.61	26.07
Norfolk.....	.87	1.73	26.27	26.31
Grand Island.....	1.67	2.12	22.55	25.27
McCook.....	.79	1.20	24.93	18.35
North Platte.....	1.07	1.07	19.34	17.50
Bridgeport.....	.77	1.09	17.13	15.28
Valentine.....	2.79	1.10	21.40	17.20
NEW MEXICO				
Clayton.....	3.11	1.26	37.60	15.51
Santa Fe.....	2.75	1.18	16.89	12.85
Farmington.....	3.71	.81	17.32	8.15
OKLAHOMA				
Tulsa.....	19.21	3.68	60.78	34.35
McAlester.....	13.67	4.27	44.96	37.82
Oklahoma City.....	10.35	2.86	39.72	27.78
Pauls Valley.....	17.41	3.47	50.25	30.78
Hobart.....	9.38	3.04	44.08	25.31
Enid.....	4.56	2.92	33.80	27.92
Woodward.....	11.13	3.22	45.18	24.33
WYOMING				
Cheyenne.....	1.43	.96	17.58	13.92
Casper.....	1.39	1.41	15.05	13.46
Lander.....	2.55	1.36	19.05	11.35
Sheridan.....	1.30	1.07	13.87	13.79

Grain Marketing

Wheat marketings in October, though larger than the abnormally small receipts of a year ago, were fully a third short of the October average of the past ten years, and corn marketings also were in small volume. Wheat continued to go under loan at a rapid rate and the firm holding tendency of producers evident earlier was further strengthened by the downward trend in wheat prices since early in September, while excessively wet weather in October and delays in harvest hindered the movement of corn to market. Farmers have been actively redeeming corn under loan to make storage room for the new crop on which the higher 1941 loan rate will apply.

October grain receipts at five District markets:

	Wheat	Corn	Oats
	(In bushels)		
Hutchinson.....	881,000	....	2,000
Kansas City.....	2,453,000	927,000	196,000
Omaha.....	721,000	1,835,000	320,000
St. Joseph.....	216,000	418,000	588,000
Wichita.....	957,000	....	....
Oct. 1941.....	5,228,000	3,180,000	1,106,000
Sept. 1941.....	8,530,000	3,998,000	1,369,000
Oct. 1940.....	4,670,000	8,135,000	790,000
10 Mos. 1941.....	153,488,000	19,086,000	8,358,000
10 Mos. 1940.....	127,087,000	35,401,000	5,095,000

Cash wheat prices quickly recovered from the sharp break on October 16 resulting from unfavorable war developments, though prices did not quite regain levels prevailing prior to the sudden drop. Since late in October, wheat prices have fluctuated narrowly around the loan level and are about 3 to 4 cents below the loan rate plus accrued charges. On November 10, the limits on daily fluctuations in grain futures prices were reduced to 5 cents a bushel from previous daily limits of 10 cents on wheat and 8 cents on corn. Cash corn prices, which had shared in the mid-October decline and recovery along with wheat, advanced strongly in the latter part of October but have eased somewhat since early in November. The 1941 loan rate on corn, announced November 18, ranges from 69 to 79 cents a bushel in the commercial area.

The lower range of cash grain prices at Kansas City:

	Nov. 26 1941	Oct. 31 1941	Sept. 30 1941	Oct. 31 1940
No. 1 hd., dk. wheat, bu....	\$1.12½	\$1.11¾	\$1.15	\$.80
No. 2 mixed corn, bu.....	.68½	.70	.70½	.58½
No. 2 white oats, bu.....	.45¼	.43	.46½	.32¾
No. 2 rye, bu.....	.62	.58	.66½	.49
No. 2 barley, bu.....	.52	.51	.51	.46
No. 2 white kafir, cwt....	.96	1.19	1.34	.78

Livestock

MARKETINGS

Marketings of cattle, calves, and hogs in October continued appreciably below a year ago, but receipts of sheep were 13 per cent heavier than last year and were 4 per cent above the October average of the past ten years. Marketings of cattle were 6, calves 8, and hogs 12 per cent below the ten-year average.

October livestock receipts at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	84,554	15,774	31,667	761,713
Kansas City.....	177,663	42,465	192,791	101,284
Oklahoma City.....	51,361	34,029	39,350	12,274
Omaha.....	141,026	18,390	122,690	143,379
St. Joseph.....	44,170	5,945	80,260	93,706
Wichita.....	30,290	10,288	24,583	17,609
Oct. 1941.....	529,064	126,891	491,341	1,129,965
Sept. 1941.....	484,399	83,529	390,753	938,539
Oct. 1940.....	553,473	145,247	599,939	1,002,823
10 Mos. 1941.....	3,505,214	572,182	4,639,696	5,950,097
10 Mos. 1940.....	3,316,189	652,470	5,341,107	6,131,651

PRICES

Livestock prices since early last September have been tending downward, chiefly in response to the

usual seasonal expansion in marketings, prices of beef steers and lambs dropping by the middle of November to the lowest levels since July and of hogs since June. Hog prices, which had been rising very rapidly, and lamb prices, which this year have been exceptionally strong, show the greatest decline, while beef steer prices have declined only moderately. Liberal marketings of heavy beef cattle resulting from abundant feed supplies and the consequent tendency to feed to heavier weights were an important factor in the weakness in steer prices, and the lower trend on fat cattle, together with a temporary wet-weather curtailment in demand for replacement animals, reacted in turn on values of stocker and feeder cattle. The October top price for beef steers, though below last year, was exceeded in only two Octobers since 1930, and hog prices were higher in only one October since 1927, while prices of other classes of cattle and of sheep and lambs were the highest for the month since 1929.

Top carlot livestock prices at Kansas City:

	Nov. 26 1941	Oct. 1941	Sept. 1941	Oct. 1940	Oct. 1939	Oct. 1938
	(In dollars per hundredweight)					
Beef steers.....	12.50	12.85	12.60	13.25	11.25	12.50
Stocker cattle.....	11.80	11.90	12.50	10.75	10.35	9.25
Feeder cattle.....	10.90	11.25	11.25	10.50	9.25	9.25
Calves.....	12.50	13.00	13.00	10.50	10.00	10.00
Hogs.....	10.00	11.25	12.25	6.40	7.20	8.60
Sheep.....	9.75	10.00	10.00	8.00	8.00	7.00
Lambs.....	11.00	11.90	12.50	9.50	9.65	8.65

STOCKERS AND FEEDERS

Countryward shipments of stocker and feeder cattle and calves from public markets in October continued much below a year ago, but there was an unusually heavy movement of sheep, which was more than a third larger than last year. Shipments of cattle were 4, calves 21, and sheep 43 per cent above the October average of the past ten years.

Stocker-feeder shipments from four markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	54,535	13,234	7	590,628
Kansas City.....	96,847	27,597	2,681	23,948
Omaha.....	62,940	10,955	831	53,521
St. Joseph.....	11,392	2,660	890	27,678
Oct. 1941.....	225,714	54,446	4,409	695,775
Sept. 1941.....	148,375	19,794	3,236	333,147
Oct. 1940.....	273,807	67,998	6,333	508,490
10 Mos. 1941.....	921,847	167,420	41,020	1,650,348
10 Mos. 1940.....	1,028,613	222,262	52,737	1,438,054

Developments to early November, according to the Department of Agriculture, continued to indicate that cattle feeding this winter will be considerably reduced from either of the two preceding years in Corn Belt states east of the Missouri River. Some increase may take place in the three Corn Belt states west of the Missouri River and in Oklahoma, though excessive rains in October delayed greatly the harvesting of

feed crops and resulted in sharp losses of both harvested and unharvested feeds. The increased movement of cattle into Kansas is due chiefly to relatively large numbers going onto winter wheat pastures rather than to feed lots. Wheat pastures have made unusual growth in many sections, but the soft condition of the fields this fall has greatly restricted their use. The number of cattle fed in Western states is expected to be somewhat smaller this year than last. The movement of cattle into Western states has been slow because of the delay in the sugar beet harvest.

Lamb feeding operations this winter will probably be about as large as last year, according to the Department of Agriculture, an increase in Corn Belt states west of the Missouri River and in Missouri, Colorado, Oklahoma, and Texas about offsetting decreases in other states. The number of lambs fed in Colorado is expected to be considerably larger than in either of the two preceding years, especially in northern Colorado. Persistent wet weather, however, has been unfavorable for the fattening of lambs and has restricted the use of wheat pastures in winter wheat areas and of sugar beet tops in some irrigated areas. Shipments of feeder lambs from Texas have been very much smaller this fall than last, but there was a heavy October movement of northern feeder lambs into feed lots in Colorado and western Nebraska feeding sections and to wheat fields in western Kansas.

RANGES AND PASTURES

Winter ranges have an excellent growth of feed due to the best soil moisture conditions in many years. Hay and feed supplies are ample, though the heavy October rains delayed the curing of range feed in some areas and seriously damaged large hay and feed grain crops in Kansas, Oklahoma, and eastern New Mexico. Cattle and sheep generally are in very good condition but are not quite so heavy as expected earlier because of the late maturing of grass and excessive fall rains. Producers in northern sections of the District continue to hold back ewe lambs and there is a strong local demand for breeding and dairy cattle in areas having surplus feeds as feeding ratios are generally quite favorable to livestock producers.

Farm Income

Cash farm income in the District in August had been 90 per cent larger than a year ago and in September it was 50 per cent above last year. This marked increase was due mainly to higher prices but was also due in part to an earlier movement of crops to market and into loans this year than last. As a result, the Department of Agriculture anticipates that cash farm income in the last quarter of the year may not show as large a gain over a year ago as in August

and September. Cash farm income for the whole country this year is expected to be very little below the previous peak in 1929, with net income of farm operators the highest since 1920. In September, prices received for farm marketings averaged more than 40 per cent above last year.

Department of Agriculture farm income estimates:

	Sept.	9 Mos.	Change from 1940	
	1941	1941	Sept.	9 Mos.
	(Thousand dollars)		(Per cent)	
Colorado.....	23,068	113,300	+38	+23
Kansas.....	52,215	325,379	+70	+47
Missouri.....	45,428	265,953	+63	+30
Nebraska.....	28,204	217,200	+15	+10
New Mexico.....	4,189	32,175	+3	+15
Oklahoma.....	31,633	177,821	+97	+36
Wyoming.....	11,723	40,442	+10	+11
Seven states.....	196,460	1,172,270	+50	+29
United States.....	1,325,419	7,690,052	+46	+24

Meat Packing

Packers' purchases of cattle in October were 18 per cent larger than a year ago despite smaller market supplies. Hog slaughter, in line with receipts, fell 20 per cent below last year's rather high level. Purchases of sheep continued about the same as a year ago, a very heavy country demand for stocker and feeder sheep and lambs absorbing a large increase in market receipts. The slaughter of cattle was only 4 and hogs 5 but of calves 30 and sheep 15 per cent below the October average of the past ten years.

October packers' purchases at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	19,833	2,613	27,587	48,871
Kansas City.....	66,451	11,392	182,836	72,054
Oklahoma City.....	23,125	19,339	27,994	6,686
Omaha.....	68,501	7,330	107,691	83,628
St. Joseph.....	29,771	3,254	74,714	66,416
Wichita.....	8,113	3,373	21,932	8,602
Oct. 1941.....	215,794	47,301	442,754	286,257
Sept. 1941.....	235,905	43,821	345,254	290,217
Oct. 1940.....	183,395	50,737	554,551	290,122
10 Mos. 1941.....	1,875,269	312,674	4,119,912	2,967,546
10 Mos. 1940.....	1,605,362	333,373	4,704,508	2,878,397

Cold Storage Holdings

During October, United States cold storage stocks of beef and poultry continued to increase and of pork and lard to decline more than is usual at this season. Holdings of cheese showed a further contraseasonal increase, while holdings of butter declined less than is usual. Due in part to the food-for-defense program and the stimulation to production of Government lend-lease purchases, stocks of poultry and of dairy and egg products are at very high levels. Stocks of lard also are very large, while beef stocks reflect current heavy slaughter. November 1 stocks of beef were 57, pork 8, lamb 31, poultry 42, lard 76, total eggs 18, butter 47, and cheese 51 per cent above the average for that date during the past five years.

United States cold storage holdings:

	Nov. 1	Oct. 1	Nov. 1	Aver.
	1941	1941	1940	'36-'40
(In thousands of units)				
Beef, lbs.....	90,336	73,366	48,245	57,512
Pork, lbs.....	313,962	371,362	303,712	289,876
Lamb and mutton, lbs.....	4,759	4,093	3,817	3,646
Poultry, lbs.....	128,071	96,701	114,257	90,474
Miscellaneous meats, lbs.....	63,114	63,581	53,062	56,094
Lard, lbs.....	173,366	214,299	223,166	98,759
Eggs, shell, cases.....	3,857	5,441	4,144	3,971
Eggs, frozen (case equiv.).....	4,389	5,098	3,195	3,007
Butter, creamery, lbs.....	186,263	202,957	105,106	126,494
Cheese, all varieties, lbs.....	188,916	188,337	144,463	124,766

Flour Milling

Southwestern flour mills operated at 76 per cent of capacity during October, little below the year's high rate of 77 per cent in the preceding month. October production was 6 per cent larger than a year ago and 10 per cent above the October ten-year average, while output for the year to date is 9 per cent larger than last year. Forward buying of flour last July and August had been in large volume and, with buyers' needs well covered for the present, flour sales since early in September have been declining steadily. Export trade, except for some sales made at the time of the mid-October upset in wheat prices, has been virtually negligible in recent months.

Flour output reported by the Northwestern Miller:

	Oct.	10 Mos.	Change from 1940		
	1941	1941	Oct.	10 Mos.	
		(In barrels)		(Per cent)	
Kansas City.....	615,000	5,691,000	+14	+9	
Salina.....	195,000	1,914,000	-4	+1	
Wichita.....	186,000	1,699,000	+15	+16	
Other cities.....	1,437,000	12,744,000	+4	+10	
Southwest.....	2,433,000	22,048,000	+6	+9	
United States*.....	6,470,000	57,988,000	+4	+3	

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

Petroleum

Crude oil production in this District in October averaged nearly 886,000 barrels daily, which was 13 per cent larger than last year and 18 per cent above the October average of the past ten years. Though output in some states, notably Kansas, and in the whole country is at an all-time high, production in Oklahoma is declining and the District is producing considerably less oil than as recently as the middle of 1937 when output exceeded 1,000,000 barrels daily.

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

	Oct.	10 Mos.	Change from 1940		
	1941	1941	Oct.	10 Mos.	
		(In barrels)		(Per cent)	
Colorado.....	153,000	1,426,000	+37	+29	
Kansas.....	7,612,000	67,694,000	+29	+24	
Nebraska.....	188,000	1,391,000	....	....
New Mexico.....	3,585,000	32,787,000	+12	0	
Oklahoma.....	13,250,000	128,713,000	+3	-1	
Wyoming.....	2,667,000	24,959,000	+21	+17	
Six states.....	27,455,000	256,970,000	+13	+7	
United States.....	125,832,000	1,152,422,000	+11	+2	

Reflecting the increasing demand for petroleum, considerably in excess of new discoveries, stocks of crude oil produced in this District continue to decline and in November are 14 per cent below last year.

Coal

Reflecting heavy industrial demand, October coal output was 27 per cent above last year, more than double the rate of gain for the year to date.

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

	Oct.	10 Mos.	Change from 1940	
	1941	1941	Oct.	10 Mos.
	(In tons)		(Per cent)	
Colorado.....	683,000	5,383,000	+23	+9
Kans. and Mo.....	641,000	5,983,000	+20	+13
New Mexico.....	106,000	946,000	+20	+8
Oklahoma.....	231,000	1,371,000	+60	+12
Wyoming.....	726,000	5,151,000	+29	+16
Six states.....	2,387,000	18,834,000	+27	+12
United States.....	49,800,000	411,794,000	+29	+11

Zinc and Lead

Following the advance of zinc ore prices in the first week of October, producers released previously withheld supplies and sales in the Tri-State district rose sharply to the highest weekly level in three years. Toward the end of the month and early in November, however, sales were limited by a scarcity of ore as reserve stocks were virtually depleted and excessive rains had seriously hampered mining operations. October shipments of zinc were 14 and of lead 9 per cent above a year ago.

October shipments from the Tri-State district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Kansas.....	12,606	\$ 673,208	1,297	\$ 88,909
Missouri.....	4,179	224,091	194	13,288
Oklahoma.....	27,093	1,453,470	2,928	200,651
Oct. 1941.....	43,878	\$ 2,350,769	4,419	\$ 302,848
Sept. 1941.....	40,204	1,947,319	4,815	329,913
Oct. 1940.....	38,406	1,852,907	4,064	243,856
10 Mos. 1941.....	394,766	19,275,778	43,827	2,979,757
10 Mos. 1940.....	357,796	14,513,813	37,652	2,212,986

Building

Construction awards in the Kansas City area continued in October at a very high level. Construction, especially nonresidential, is heavily weighted with defense work which in the first three quarters of the year accounted for about 60 per cent of all nonresidential building and 40 per cent of total construction.

Construction figures of F. W. Dodge Corporation:

	Oct.	10 Mos.	Change from 1940	
	1941	1941	Oct.	10 Mos.
	(Thousand dollars)		(Per cent)	
Residential building..	6,719	63,795	+35	+64
Nonresidential bldg...	12,447	88,018	+147	+143
Public wks. construc...	2,888	41,280	-27	-5
Utility construction...	837	43,230	+54	+337
Kansas City area.....	22,891	236,323	+58	+84
37 Eastern states.....	606,349	5,117,228	+58	+62

The value of building permits issued in reporting District cities in October was 18 per cent less than a year ago, in contrast with a gain of 13 per cent for the year to date. This was the first decline from the previous year reported for any month since June, 1940, and was fairly general over the District.

Value of building permits issued in District cities:

	Oct.	10 Mos.	Change from 1940	
	1941	1941	Oct.	10 Mos.
	(Dollars)		(Per cent)	
Albuquerque, N. M.....	133,000	2,059,000	-8	+6
Cheyenne, Wyo.....	216,000	1,484,000	+66	+34
Colo. Springs, Colo..	37,000	684,000	-46	-16
Denver, Colo.....	1,101,000	13,402,000	+17	+20
Hutchinson, Kans....	25,000	344,000	-44	-17
Joplin, Mo.....	35,000	455,000	-64	-23
Kansas City, Kans...	44,000	696,000	-76	-25
Kansas City, Mo.....	180,000	3,959,000	-57	+30
Lincoln, Nebr.....	199,000	2,258,000	-69	-5
Okla. City, Okla.....	271,000	4,816,000	-56	-7
Omaha, Nebr.....	586,000	4,633,000	+42	-4
Pueblo, Colo.....	136,000	1,196,000	+33	+29
Salina, Kans.....	13,000	299,000	-81	-43
Shawnee, Okla.....	7,000	159,000	+40	-12
St. Joseph, Mo.....	9,000	563,000	-67	+74
Topeka, Kans.....	83,000	1,066,000	-24	-22
Tulsa, Okla.....	535,000	5,111,000	+41	+15
Wichita, Kans.....	392,000	5,385,000	-22	+104
District, 18 cities.....	4,002,000	48,569,000	-18	+13

Lumber

Retail lumber sales in the District, which at this time last year had been rising rapidly, currently tend to decline and in October dropped 13 per cent under a year earlier. Total sales for the year to date, however, are still 40 per cent ahead of last year. Lumber stocks reflect a similar situation as inventories at the end of October, though 14 per cent heavier than a year ago, showed a much smaller gain than previously. Collection ratios continue higher than last year.

Lumber trade at 149 chain retail yards:

	Oct. 1941	
	per cent change from Sept. 1941	Oct. 1940
Sales of lumber, board feet.....	-4	-13
Sales of all materials, dollars.....	-11	+18
Stocks of lumber, board feet.....	0	+14
Outstandings, dollars.....	-3	+32

Life Insurance

Life insurance sales in the District in October, as in September, were appreciably above last year, though sales for 1941 to date are little changed from 1940.

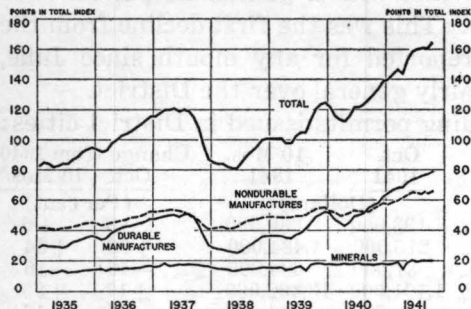
The Life Insurance Sales Research Bureau report:

	Oct.	10 Mos.	Change from 1940	
	1941	1941	Oct.	10 Mos.
	(Thousand dollars)		(Per cent)	
Colorado.....	5,769	48,894	+18	+1
Kansas.....	7,849	72,349	+23	+14
Missouri.....	16,821	163,689	+5	-1
Nebraska.....	6,003	56,261	+5	+3
New Mexico.....	1,258	10,814	+8	-9
Oklahoma.....	7,347	75,189	-1	-5
Wyoming.....	1,090	10,408	+19	+18
Seven states.....	46,137	437,604	+9	+1
United States.....	658,339	5,857,865	+15	+7

NATIONAL SUMMARY OF BUSINESS CONDITIONS

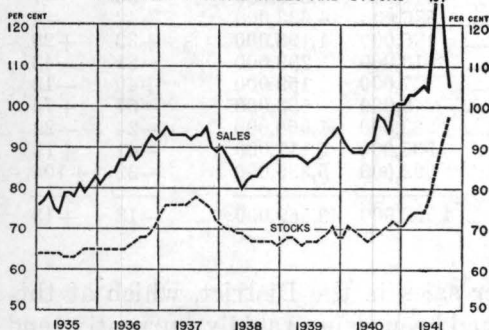
By the Board of Governors of the Federal Reserve System

INDUSTRIAL PRODUCTION



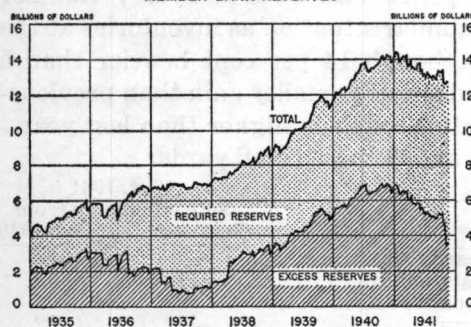
Federal Reserve index of physical volume of production, adjusted for seasonal variation, 1935-39 average=100. Sub-groups shown are expressed in terms of points in the total index. By months, January, 1935, through October, 1941.

DEPARTMENT STORE SALES AND STOCKS



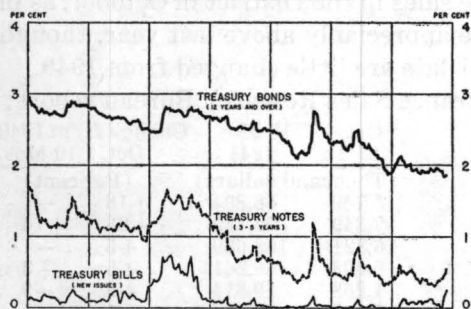
Federal Reserve indexes of value of sales and stocks, adjusted for seasonal variation, 1923-25 average=100. By months, January, 1935, through October, 1941.

MEMBER BANK RESERVES



Wednesday figures, January 2, 1935, through November 12, 1941. Required and excess reserves, but not the total, are partly estimated.

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 November 15, 1941.

Industrial activity continued to increase in October and the first half of November and there was some further advance in prices of industrial materials and finished products. Distribution of commodities to consumers declined in this period following an unusually large volume of trade in the preceding quarter.

PRODUCTION

Volume of industrial production increased further in October and the Board's seasonally adjusted index advanced from 161 to 164 per cent of the 1935-39 average. Increases in activity occurred mainly in industries producing machinery, armament, and other durable manufactures required under the defense program. In the meat-packing industry activity also advanced considerably and output of other manufactured food products, which has been unusually large in recent months, declined less than seasonally.

Automobile production increased during October and in the first half of November was sustained at about the rate reached at the beginning of the month. Production in October approximated the quota permitted for the month, whereas in August and September output had been considerably below the quotas set, owing in part to delays incident to the change-over to new model production and to difficulties in obtaining certain materials. Since the beginning of the model year production has been substantially in excess of retail sales and dealers' stocks have risen sharply. Output of cars and trucks in October was about one-fourth smaller than in October last year; in the industry as a whole, however, activity, as measured by man-hours worked, was about the same as a year ago, apparently reflecting a shift to armament production.

In most other manufacturing industries output in October was maintained at or near the rates prevailing in other recent months. At cotton mills activity increased, following some reduction in the previous month, while at wool mills there was a slight decline from the peak reached in September. Steel production rose to an average rate of about 99 per cent of capacity during October but declined slightly in the first half of November.

Coal production declined somewhat in October and early November, while output of crude petroleum increased further to new record levels. Iron ore shipments down the Lakes were maintained at a high rate and through the end of October amounted to 71,600,000 gross tons, a larger volume than had previously been transported in any complete shipping season.

Value of construction contract awards decreased slightly in October, according to figures of the F. W. Dodge Corporation. Declines in awards for publicly-financed work were partly offset in the total by an increase in privately-financed projects. Awards for residential building showed little change, although an increase is customary in this month. Contract awards in October continued in larger volume than a year ago. Total awards were 60 per cent larger, reflecting increases of 13 per cent in private construction and of 112 per cent in public work.

DISTRIBUTION

Distribution of commodities to consumers declined in October following an unusually large volume of trade in the preceding three months. During the third quarter sales had been stimulated considerably by several factors, notably apprehension that there might be shortages and higher prices of many consumers' goods later on, as well as desire to avoid stricter instalment credit terms, effective September 1, and higher taxes on many products effective October 1.

Railroad freight carloadings declined somewhat from September to October, owing principally to decreased shipments of grain products and coal. Shipments of livestock increased and ore loadings declined less than is usual.

COMMODITY PRICES

Prices of agricultural commodities, which had declined from the early part of September to the middle of October, have advanced somewhat since that time and prices of industrial commodities have increased further. Recent advances for industrial raw materials and finished products have been more restricted than in earlier periods, reflecting partly an extension of Federal maximum price action particularly to petroleum, metal, chemical, and textile products.

Prices in retail markets have continued to advance sharply. In September the cost of living, as measured by the Bureau of Labor Statistics' index, increased 2 points to 108 per cent of the 1935-39 average and was 7 per cent above the level of last March. Since September retail food prices, which usually decline at this season, have increased further and preliminary data indicate that retail prices of other commodities have continued to rise.

BANK CREDIT

Total loans and investments at reporting member banks rose further during October and the first two weeks in November. Holdings of United States Government securities increased and commercial loans continued to advance.

Excess reserves of member banks declined from 4.7 billion dollars to 3.5 billion on November 1, reflecting the increase in reserve requirements previously announced by the Board to be effective on that date.

UNITED STATES GOVERNMENT SECURITY MARKET

Long-term Treasury bonds declined slightly in price during the early part of November, following a relatively sharp increase after the middle of September to a record high level around November 1. Yields on short-term issues have firmed since early in September, the yield on Treasury notes of December, 1945, advancing from 0.62 per cent on September 15 to 0.83 on November 15, and the bill rate rising to 0.258 per cent.