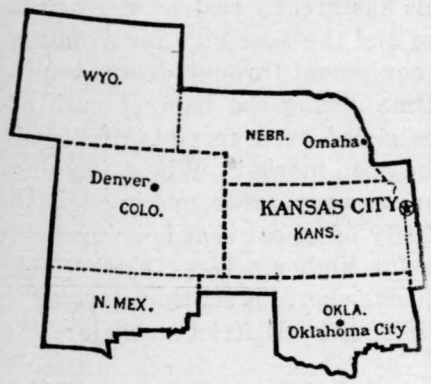


# MONTHLY REVIEW

## *Agricultural and Business Conditions*

### TENTH FEDERAL RESERVE DISTRICT

#### *Business in the Tenth Federal Reserve District*



Recent weeks have been unusually favorable for the corn crop with the result that production in this District is nearly a half larger than the average of recent years on an acreage that is almost a fourth smaller. A cotton crop of 892,000 bales is indicated for Oklahoma with an average yield of 230 pounds per acre—the highest yield of record for that state. Farm production has been large and there will be an abundant supply of fall feed.

Large quantities of livestock are going to market and livestock slaughter is about a third greater than a year ago. Grain marketings are also very large.

The construction of war plants is being pushed rapidly. Employment recently has been running about 13% above a year ago — a rate of gain twice as large as that for the whole country.

Deposits and bank holdings of Government obligations are expanding rapidly but bank loans are little changed.

BUSINESS INDICATORS	AUGUST 1942 COMPARED WITH AUGUST 1941					8 MOS. 1942 COMPARED WITH 8 MOS. 1941						
	% DECREASE		% INCREASE			% DECREASE		% INCREASE				
	40	30	20	10	10	20	30	40	40	30	20	10
<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.....												
Dept. Store Sales.....												
<b>Marketings</b>												
Wheat.....												
Corn.....												
Oats.....												
Cattle.....												
Calves.....												
Hogs.....												
Sheep.....												
<b>Production</b>												
Flour.....												
Cattle Slaughter.....												
Calf Slaughter.....												
Hog Slaughter.....												
Sheep Slaughter.....												
Crude Petroleum.....												
Bituminous Coal.....												
<b>Construction</b>												
Total Awards.....												
Res. Awards.....												
Value of Permits.....												
Lumber Sales.....												
<b>Miscellaneous</b>												
Rainfall.....												
Cash Farm Income*.....												
Employment*.....												

\*For previous month.

## AGRICULTURE

## Crops

Rains and moderate temperatures throughout most of the District in August further enhanced the exceptionally promising outlook for crops, and favorable growing weather in the first three weeks of September permitted corn and other late crops to make rapid progress toward maturity. The corn estimate for this District on September 1 was one-fifth higher than a month earlier, and corn production is now estimated to be fully one-third larger than last year and nearly one-half larger than the 1930-39 average on an acreage one-fourth below average. Heavy yields per acre, due in part to the increasing use of hybrid seed corn, account for the large corn crop.

Department of Agriculture corn estimates:

	Sept. 1 1942	Aug. 1 1942	Final 1941	Aver. '30-'39
	(In thousands of bushels)			
Colorado.....	17,306	16,288	15,026	13,419
Kansas.....	84,847	65,688	57,224	59,550
Missouri.....	142,018	121,133	113,216	107,141
Nebraska.....	221,854	183,118	157,638	133,822
New Mexico.....	3,152	3,056	3,315	2,677
Oklahoma.....	36,594	32,742	31,202	31,131
Wyoming.....	1,986	1,918	2,280	2,068
Seven states.....	507,757	423,943	379,901	349,808
United States.....	3,015,915	2,753,696	2,672,541	2,307,452

Outstanding per acre yields are an important factor for other crops as well, the acreage of many of which, in addition, was expanded sharply this year to meet wartime needs. The production of dry beans in Wyoming, Colorado, Nebraska, and New Mexico is more than double the average from 1930 to 1939. The sugar beet crop in Colorado, Nebraska, and Wyoming is much above average, and relatively cool weather this growing season has increased the sugar content. Kansas has a very large acreage planted to soybeans. The output of peanuts in Oklahoma is more than four times the previous record last year. The per acre yield of cotton in Oklahoma is the highest on record, and the cotton crop in that state is one-fifth larger than the 1931-40 average on one-fourth less acreage. There is considerable concern over securing sufficient labor to harvest the sugar beet crop. Although crop production this year, on the whole, has not suffered seriously because of the farm labor shortage, the situation nevertheless is so critical that farmers have already indicated that a substantial increase in idle farm land is probable next year.

Seedbed preparation for winter wheat was largely completed during August. Soil conditions nearly everywhere are excellent as a result of adequate summer rainfall. Planting in some areas had started before the first of September and generally was well under way by the middle of the month except in sections where it was being delayed until the danger from

Hessian fly infestation had passed. Early seeded fields were up to good stands and were growing rapidly, while volunteer wheat in southwestern Kansas was already furnishing pasturage for cattle and lambs. The Secretary of Agriculture, however, has urged farmers wherever possible to seed less than their allotment and to devote more land to crops more urgently needed in the war program.

Wheat marketings in August were moderately larger than a year ago and appreciably above the average of the past ten years. Receipts previously had been far below normal as the congested storage situation at terminals has greatly restricted receipts of wheat for storage and the necessity for avoiding the tying up of rail equipment through delays in unloading had for a time during the harvest rush of wheat to market restricted even receipts of "free" wheat for sale on the open market. Wheat is going into Government loans at a rapid rate, and in addition there is a large quantity of wheat that is being held strongly by growers for higher prices. Marketings of corn, oats, and other feed grains continue large.

August grain receipts at five District markets:

	Wheat	Corn	Oats
	(In bushels)		
Aug. 1942.....	15,774,000	4,895,000	2,889,000
Aug. 1941.....	14,522,000	1,632,000	1,681,000
8 Mos. 1942.....	106,342,000	45,492,000	11,696,000
8 Mos. 1941.....	139,730,000	11,917,000	5,884,000

Cash wheat prices continued to advance during August and the forepart of September, and prices of some top grades near the middle of the month were close to the Federal loan level. Although somewhat below the five-year high of last January, wheat prices are about 15 cents above their recent low early in July. Wheat prices appear to be little influenced by total wheat supplies, responding rather to the amount of "free" wheat available and to recent legislative proposals interpreted by the trade to be less restrictive than had first been anticipated. Cash corn prices are steady, the depressing effect of heavy corn production and of Government offerings of wheat for feed at 85 per cent of corn parity being offset by the very high rate of corn consumption.

The lower range of Kansas City cash grain prices:

	Sept. 25 1942	Aug. 31 1942	July 31 1942	Aug. 30 1941
No. 1 hd., dk. wheat, bu.....	\$1.22 $\frac{3}{4}$	\$1.14 $\frac{1}{2}$	\$1.08 $\frac{1}{2}$	\$1.08 $\frac{1}{2}$
No. 2 mixed corn, bu.....	.81 $\frac{1}{2}$	.81	.82 $\frac{1}{4}$	.69
No. 2 white oats, bu.....	.49 $\frac{1}{2}$	.48 $\frac{1}{2}$	.48	.43

## Rainfall

August rainfall in Wyoming was only 59, Nebraska 89, and Colorado 83 per cent of normal, but in New Mexico it was 142, Oklahoma 161, Kansas 146, and Missouri 111 per cent of normal. In Oklahoma and Kansas it was the wettest August since 1933.



Rainfall reported by the Weather Bureau:

	Aug. 1942		8 Mos. 1942	
	Total	Normal	Total	Normal
(In inches)				
<b>COLORADO</b>				
Denver.....	.39	1.43	11.46	10.73
Leadville.....	1.27	2.44	13.08	13.97
Pueblo.....	1.58	1.82	14.10	9.40
Lamar.....	3.78	2.02	14.14	12.00
Alamosa.....	.40	1.00	5.37	4.84
Steamboat Springs.....	.54	1.77	16.64	15.84
<b>KANSAS</b>				
Topeka.....	7.74	4.08	26.91	24.81
Iola.....	3.16	3.64	27.99	26.55
Concordia.....	4.61	2.91	20.26	20.19
Salina.....	6.58	3.40	26.97	20.35
Wichita.....	4.51	3.13	26.39	22.02
Hays.....	2.88	3.14	25.45	18.24
Goodland.....	2.58	2.52	18.88	14.49
Dodge City.....	1.89	2.67	18.67	16.08
Elkhart.....	1.91	2.15	22.26	12.89
<b>MISSOURI</b>				
St. Joseph.....	4.76	3.83	26.12	25.88
Kansas City.....	5.80	4.09	30.02	26.47
Joplin.....	3.91	3.97	29.39	31.69
<b>NEBRASKA</b>				
Omaha.....	3.25	3.05	21.11	20.39
Lincoln.....	2.55	3.57	21.15	21.21
Norfolk.....	2.70	3.43	18.57	21.49
Grand Island.....	4.58	3.52	20.08	19.32
McCook.....	1.65	2.57	17.15	15.45
North Platte.....	1.40	2.39	21.79	14.97
Bridgeport.....	2.54	1.71	18.88	12.83
Valentine.....	1.27	2.17	19.45	14.77
<b>NEW MEXICO</b>				
Clayton.....	2.58	2.14	15.43	11.76
Santa Fe.....	2.23	1.45	6.48	9.39
Farmington.....	.73	1.22	3.09	6.12
<b>OKLAHOMA</b>				
Tulsa.....	7.47	3.28	33.34	27.42
McAlester.....	1.54	3.54	29.65	30.09
Oklahoma City.....	4.87	2.89	23.75	21.87
Pauls Valley.....	3.07	2.72	31.41	24.13
Hobart.....	7.70	2.17	25.12	19.36
Enid.....	4.45	3.48	23.49	21.90
Woodward.....	3.00	2.68	16.55	18.31
<b>WYOMING</b>				
Cheyenne.....	2.06	1.55	16.29	11.76
Casper.....	.32	.96	6.33	10.81
Lander.....	.08	.53	9.35	9.07
Sheridan.....	.12	.91	10.00	11.45

**Livestock**

During the forepart of August a broad upturn in livestock prices occurred, reflecting relatively light receipts of hogs and lambs and a shortage of meat, especially beef, at some eastern centers, chiefly the result of increased civilian consumption. Near the middle of August, prices of beef steers were at their highest point in five years and hogs in sixteen, while lambs were little below their thirteen-year high of the preceding month. At that time, also, livestock prices were well above the level at which a ceiling could be imposed by OPA on the price of the live animal under the terms of the Emergency Price Control Act and were high in relation to OPA ceilings on wholesale and retail prices of dressed meats. Later in the month, however, continued heavy receipts of cattle and an expansion in receipts of other livestock tended to check the upward trend, and the OPA announcement on August 26 of plans for livestock price ceilings, together with talk of consumer rationing of meat and

other price control measures, tended to create uncertainty so that livestock prices declined rather sharply toward the end of August and early in September. The OPA had stated that a definite price ceiling on live hogs was in preparation, subject to the approval of the Secretary of Agriculture, and that similar action on beef cattle was contemplated for the near future in order to bring hog and cattle prices in line with ceilings on pork and beef and afford relief to packers, especially the smaller concerns, who were unable to sell processed meats at ceilings and avoid losses. The establishment of price ceilings on livestock has been delayed, however, pending the adjustment of wholesale meat prices on a zone basis to eliminate price inequalities that have encouraged the shipment of meat to areas where retail ceilings are high, thus creating shortages in cities where the ceiling is low as happened recently in the case of beef at some eastern cities. Small pork packers are to be paid subsidies by the Department of Agriculture to offset losses resulting from ceilings. Near the middle of September livestock prices recovered somewhat in response to proposed legislation amending the Price Control Act and providing, among other things, that ceilings on farm product prices could not be imposed at a level below the highest market price for the period January 1 to August 15 or September 15 this year, which period of course includes the recent high prices.

Top carlot livestock prices at Kansas City:

	Sept. 25 1942	Aug. 1942	July 1942	Aug. 1941	Aug. 1940	Aug. 1939
(In dollars per hundredweight)						
Beef steers.....	15.00	16.25	14.75	12.75	12.25	10.35
Stocker cattle.....	13.00	14.25	13.75	12.50	10.40	9.50
Feeder cattle.....	12.50	14.30	13.25	11.50	10.50	8.65
Calves.....	14.00	14.00	14.50	12.50	10.00	9.50
Hogs.....	14.75	14.80	14.60	12.05	7.20	6.50
Sheep.....	11.50	12.35	12.00	10.00	7.75	7.00
Lambs.....	14.00	15.00	15.00	12.10	9.75	9.15

Marketings of cattle during August were more than half again larger than a year ago and were 15 per cent above the August average of the past ten years. The large numbers of cattle on farms and ranches, the sharp rise in prices up to mid-August, the unprecedented demand for beef, and late in August the extensive liquidation under threat of ceilings on prices of the live animal were contributing factors in the heavy cattle receipts. As a result, the usual fall marketings got under way somewhat earlier than normal despite the abundance of good feed. Although relieving the temporary shortage of meat, the heavy cattle receipts were not favorable from a long-term viewpoint as many cattle, particularly grain-fed steers, were marketed at somewhat less than normal weights and there are fewer cattle being fed for market than a year earlier. Marketings of other livestock in August also were substantially larger than a year

earlier but were appreciably below average. As in the case of cattle, however, producers late in August tended to market hogs and lambs freely.

August livestock receipts at six District markets:

	Cattle	Calves	Hogs	Sheep
Aug. 1942.....	565,544	80,901	483,657	630,323
Aug. 1941.....	364,708	59,614	370,895	502,404
8 Mos. 1942.....	3,219,951	370,243	4,694,112	4,612,321
8 Mos. 1941.....	2,491,751	361,762	3,757,602	3,881,593

The countryward movement of stocker and feeder cattle from public markets broadened markedly early in August, influenced by the continued advance in fed steer prices up to the middle of the month and by the very favorable corn crop prospect. Contracting of cattle and calves in range areas for fall delivery to Corn Belt feeders also was more active in August. More recently, however, uncertainty regarding livestock price ceilings has made feeder buyers very cautious, and the narrow margin between feeder and fat cattle prices is again discouraging the feeding of cattle to relatively heavy weights and a high degree of finish. Feed-lot fattening of cattle is important in speeding beef production to meet wartime quotas since about three years is required to fatten cattle to market requirements on the range while only one and a half years is required when the animal is fattened on grain in the feed lot, thus halving the total production period. The shortage of experienced farm and ranch help is becoming an increasingly important factor and may tend to limit feeding operations. Contracting of range lambs for fall delivery to feeders was exceptionally active during most of August at strong to substantially higher prices, with feed-lot operators competing against those running lambs on wheat pastures. Lamb contracting came virtually to a standstill, however, following the sharp break in fat lamb prices.

### Farm Income

Cash income from farm marketings in the District continues more than one-half larger than last year. This extraordinary increase is due principally to substantially higher prices received for farm products, but marked increases in production and marketings of many farm products also are an important factor.

Department of Agriculture farm income estimates, exclusive of Government benefit payments:

	July	7 Mos.	Change from 1941	
	1942	1942	July	7 Mos.
	(Thousand dollars)		(Per cent)	
Colorado.....	13,918	89,535	+29	+42
Kansas.....	69,698	253,015	+64	+51
Missouri.....	46,745	251,745	+34	+46
Nebraska.....	42,254	231,783	+63	+57
New Mexico.....	4,948	28,419	+38	+34
Oklahoma.....	49,066	156,896	+93	+57
Wyoming.....	3,920	28,695	+10	+41
Seven states.....	230,549	1,040,088	+57	+50
United States.....	1,218,699	7,002,879	+37	+43

## TRADE

### Retail Sales

Dollar volume at reporting department stores in the District in August was 5 per cent above a year earlier. Although higher prices, which on the average are up about 12 per cent, more than account for the August gain, the comparison nevertheless is with a period of very active sales last year when consumer buying, particularly of housefurnishings and appliances, had been abnormally heavy just prior to installment credit regulation. In the first three weeks of September, sales were 24 per cent above last year.

Stocks of merchandise increased much less than is usual during August, and there was some further decrease in the volume of merchandise on order. Dollar inventories show a much smaller gain over last year than in other recent months but are still about one-third larger than a year earlier and are equal to 3.6 months' supply at the current rate of sales as compared with 2.8 months' supply last year. In order equitably to distribute the dwindling supply of civilian goods, the War Production Board on September 4 announced a program of inventory control, effective early in 1943, which would limit stocks of finished civilian goods held by the larger wholesale and retail concerns to amounts bearing the same relation to sales that average stocks during the corresponding quarters from 1939 to 1941 bore to sales in those periods.

Department store sales and stocks in leading cities:

	No. of Stores	SALES		STOCKS	
		Aug. '42 comp. to Aug. '41	8 Mos. '42 comp. to 8 Mos. '41	Aug. 31, '42 comp. to Aug. 31, '41	Aug. 31, '41
(Per cent increase or decrease)					
Denver.....	7	+2	+10	+53	
Hutchinson.....	3	-3	-1	....	
Topeka.....	3	-4	+2	....	
Wichita.....	4	+23	+28	....	
Joplin.....	3	-1	+14	....	
Kansas City.....	8	+5	+13	+44	
St. Joseph.....	3	-2	0	....	
Omaha.....	4	+3	+12	....	
Oklahoma City.....	6	+6	+6	+27	
Tulsa.....	6	+15	+22	+26	
Other cities.....	31	+2	-1	+25	
District.....	78	+5	+11	+36	

Retail sales of independent stores, by states, as reported by the Bureau of the Census:

	Aug. 1942 per cent change from Aug. 1941						
	Colo.	Kans.	Mo.	Nebr.	N.Mex.	Okla.	Wyo.
Apparel.....	+23	+41	+5	+24	+15	+17	+40
Automobile.....	-48	-49	-62	-38	-57	-63	-56
Department.....	+20	+24	+3	+6	....	+9	....
Drug.....	+15	+24	+17	+29	+24	+28	+4
Dry goods.....	+11	+39	+18	+38	+27	+54	....
Food.....	+19	+23	+21	+26	+17	+19	+8
Furniture.....	-10	+18	-26	+37	....	-5	....
General.....	+19	+29	+24	+34	+25	+25	+9
Hardware.....	+8	+2	+1	+27	-17	-1	....
Jewelry.....	+26	+47	+12	....	+41	+44	....
Lbr. and mtl's...-	-20	+20	-5	+14	....	-22	-46
Miscellaneous..	+20	+42	+10	+33	+20	+40	+9
Total (weighted)	+2	+15	-2	+13	-3	+1	-13



**Wholesale Sales**

The value of August wholesale sales in this District was 5 per cent above last year. As is true of retail sales, higher prices more than account for the increase but here, too, the comparison is with a period of exceptionally heavy sales last year when retailers were building up stocks rapidly. Although the larger retailers now are well stocked and generally are buying conservatively, there is an unprecedented demand for apparel, dry goods, and groceries from smaller retailers in areas benefiting from war activity. Drug sales also are large because of active holiday buying that began two months earlier than usual this year. Wholesale stocks are appreciably below last year, reflecting the fact that the supply of many consumer goods, particularly those involving metal or rubber, has diminished rapidly.

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

No. of Firms	SALES		STOCKS	
	Aug. '42	8 Mos. '42	Aug. 31, '42	to comp. to
	Aug. '41	8 Mos. '41	Aug. 31, '41	Aug. 31, '41
	(Per cent increase or decrease)			
Auto. supplies.....	19	-2	+12	-9
Drugs.....	4	+17	+13	-2
Electrical goods....	8	-29	-17	-42
Farm products.....	12	+28	+35	+4
Furniture.....	3	-6	+9	....
Groceries.....	22	+11	+14	-10
Hardware.....	7	+1	+11	....
Lumber and mtls..	4	-17	+49	-17
Machinery.....	8	-11	+8	+8
Paper and prod.....	5	+10	+29	....
Tobacco and prod..	8	+11	+6	....
All other lines.....	24	+21	+24	+12
Total.....	124	+5	+14	-7

**PRODUCTION**

**Meat Packing**

Marketings of meat animals during August were very large, and livestock slaughter was correspondingly heavy. Despite the large supply, shortages of meats have developed in some sections of the country. Lend-lease requirements, mostly for pork, and military requirements, mostly for beef, are more than offsetting increases in production. The remaining supply of meats available for civilian consumers consequently is somewhat below the very high level of the last two years and, although fully equal on a per capita basis to the 1931-40 average, is smaller than the amount that consumers would like to buy at ceiling prices. Consumer buying power is greater than it has ever been before and at the same time supplies of many consumer goods are dwindling rapidly.

August packers' purchases at six District markets:

	Cattle	Calves	Hogs	Sheep
Aug. 1942.....	283,464	45,506	434,786	320,888
Aug. 1941.....	202,232	35,408	323,308	254,557
8 Mos. 1942.....	1,808,965	225,337	4,311,017	2,704,067
8 Mos. 1941.....	1,423,570	221,552	3,331,904	2,391,072

**Cold Storage Holdings**

United States cold storage stocks of pork, lard, and butter are substantially smaller than a year ago, with pork stocks the third and lard the second smallest on record for this time of year. Reflecting recent heavy slaughter, stocks of beef increased contrary to the usual trend during August and on September 1 were the largest for that date since 1920. Continuous heavy buying by the Government for lend-lease purposes has greatly stimulated the production of poultry and of dairy and poultry products so that holdings of cheese, poultry, and frozen eggs are the largest on record for the season and stocks of shell eggs also are large.

United States cold storage holdings:

	Sept. 1 1942	Aug. 1 1942	Sept. 1 1941	Aver. '37-'41
	(In thousands of units)			
Beef, lbs.....	83,635	82,647	67,489	43,046
Pork, lbs.....	340,008	433,547	485,108	393,195
Lamb and mutton, lbs.....	7,494	5,487	3,306	2,549
Poultry, lbs.....	86,775	79,346	85,363	69,817
Miscellaneous meats, lbs....	93,432	109,391	71,854	62,861
Lard, lbs.....	73,538	87,831	282,694	181,091
Eggs, shell, cases.....	6,759	7,754	6,131	6,860
Eggs, frozen (case equiv.)..	7,259	7,747	5,173	4,058
Butter, creamery, lbs.....	152,037	148,504	200,228	168,691
Cheese, all varieties, lbs....	281,629	296,763	184,940	146,594

**Flour Milling**

Southwestern flour production continues little changed from a year earlier and about 10 per cent above the average of the past ten years. Milling operations have been rising gradually in recent months and by the third week of September had reached 82 per cent of capacity as buyers ordered out flour on previous contracts to replace depleted stocks that had been held down to a minimum during the summer months. New flour sales during August were generally light but toward the end of the month and early in September sales increased as rising wheat prices and declining values for by-product millfeeds forced up flour prices. Total sales so far during the new crop season, however, have not been as heavy as usual. Sales to bakers and family jobbers in areas benefiting directly from war activity are substantially larger than a year ago but there has been a corresponding drop in consumption in other areas. A nation-wide campaign is now under way to encourage consumers to stock flour more heavily in order to relieve somewhat the difficult wheat storage situation.

Flour output reported by the Northwestern Miller:

	Aug. 1942	8 Mos. 1942	Change from 1941	
	(In barrels)		Aug.	8 Mos.
			(Per cent)	
Kansas City.....	527,000	4,090,000	-8	-8
Salina.....	199,000	1,489,000	+4	-2
Wichita.....	173,000	1,422,000	-8	+6
Other cities.....	1,364,000	10,298,000	+6	+4
Southwest.....	2,263,000	17,299,000	+1	0
United States*.....	6,010,000	45,107,000	+7	-1

\*Represents about 65 per cent of total output in United States.

**Petroleum**

Crude oil production in the District is 10 per cent above the average of the past ten years but is somewhat below last year. Output has declined substantially in Oklahoma and New Mexico, while it shows a large increase in other principal oil states, with production in Kansas at a record level. Although the rubber shortage and rationing in some areas have greatly reduced civilian demand for gasoline, inland refineries for the most part are operating at capacity to supply rapidly expanding war needs for petroleum products. Effective August 24, the OPC prohibited railroad delivery of automobile gasoline into or within twenty middle western and southwestern states, including Nebraska, Kansas, Oklahoma, and Missouri in this District, in order to release additional tank cars to carry fuel oil to the east coast. On September 15, the Government announced that fuel oil would be rationed this winter in the seventeen eastern states where the loss of tanker transportation has already brought about gasoline rationing, and fuel oil is to be rationed also in thirteen middle western states, including Nebraska, Kansas, and Missouri in this District, in an effort to cut consumption one-third.

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

	Aug.	8 Mos.	Change from 1941	
	1942	1942	Aug.	8 Mos.
	(In barrels)		(Per cent)	
Colorado.....	207,000	1,472,000	+13	+31
Kansas.....	8,710,000	62,417,000	+15	+19
Nebraska.....	104,000	915,000	-46	-8
New Mexico.....	2,604,000	19,923,000	-22	-23
Oklahoma.....	11,815,000	95,115,000	-11	-7
Wyoming.....	2,795,000	21,132,000	+9	+7
Six states.....	26,235,000	200,974,000	-3	-1
United States.....	121,348,000	911,801,000	0	+1

**Coal**

Bituminous coal production is one-fourth larger than a year earlier, reflecting a very high rate of industrial consumption as well as heavy early stocking by the public and some substitution of coal for other fuels that may be scarce this winter.

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

	Aug.	8 Mos.	Change from 1941	
	1942	1942	Aug.	8 Mos.
	(In tons)		(Per cent)	
Colorado.....	633,000	4,985,000	+30	+23
Kansas & Missouri..	753,000	5,586,000	+24	+19
New Mexico.....	147,000	1,093,000	+63	+39
Oklahoma.....	177,000	1,434,000	-1	+53
Wyoming.....	665,000	4,804,000	+24	+24
Six states.....	2,375,000	17,902,000	+25	+25
United States.....	47,160,000	380,300,000	+1	+20

**Employment**

Nonagricultural employment in the District in July was 13 and in the first seven months of the year 11

per cent higher than a year earlier, more than double the rate of gain for the whole country.

Department of Labor employment estimates:

	July*	June	Change from 1941	
	1942	1942	July*	June
	(Number)		(Per cent)	
Colorado.....	289,000	276,000	+18	+17
Kansas.....	369,000	356,000	+14	+10
Missouri.....	929,000	919,000	+9	+9
Nebraska.....	257,000	249,000	+21	+18
New Mexico.....	81,000	79,000	+1	+3
Oklahoma.....	360,000	349,000	+18	+16
Wyoming.....	61,000	59,000	+3	+4
Seven states.....	2,346,000	2,287,000	+13	+12

\*Preliminary.

**CONSTRUCTION**

Construction awards in the Kansas City area (Nebraska, Kansas, Oklahoma, and western half of Missouri) in August were more than two and one-half times the volume of awards a year ago. Publicly-financed work relating directly or indirectly to the war effort amounted to 97 per cent of the total as compared with 70 per cent last year. Private construction, which had been greatly restricted since April, has been further curtailed by a supplemental order of the War Production Board, effective September 7.

Construction figures of F. W. Dodge Corporation:

	Aug.	8 Mos.	Change from 1941	
	1942	1942	Aug.	8 Mos.
	(Thousand dollars)		(Per cent)	
Residential building....	11,893	72,830	+100	+55
Nonresidential bldg....	35,465	167,301	+143	+165
Public wks. construc....	16,344	78,036	+517	+142
Utility construction....	7,006	61,028	+83	+161
Kansas City area.....	70,708	379,195	+161	+129
37 Eastern states.....	721,028	5,388,549	-5	+39

In contrast with war construction, urban building in reporting District cities has been declining now for almost a year and in recent months the rate of decline has been greatly accelerated by War Production Board restrictions on civilian construction.

Value of building permits issued in District cities:

	Aug.	8 Mos.	Change from 1941	
	1942	1942	Aug.	8 Mos.
	(Dollars)		(Per cent)	
Colo. Springs, Colo..	8,000	197,000	-75	-50
Denver, Colo.....	113,000	5,886,000	-93	-47
Pueblo, Colo.....	12,000	743,000	-89	-25
Hutchinson, Kans....	7,000	244,000	-77	-10
Kansas City, Kans..	13,000	614,000	-89	+16
Salina, Kans.....	3,000	67,000	-82	-74
Topeka, Kans.....	5,000	225,000	-95	-74
Wichita, Kans.....	520,000	6,573,000	-15	+55
Joplin, Mo.....	12,000	427,000	-84	+38
Kansas City, Mo....	99,000	2,967,000	-67	-11
St. Joseph, Mo.....	3,000	50,000	-88	-91
Lincoln, Nebr.....	120,000	675,000	+4	-64
Omaha, Nebr.....	96,000	1,748,000	-84	-50
Albuquerque, N. M..	25,000	663,000	-86	-62
Okl. City, Okla....	200,000	2,172,000	-74	-48
Shawnee, Okla....	1,000	33,000	-80	-75
Tulsa, Okla.....	229,000	2,838,000	-46	-30
Cheyenne, Wyo.....	7,000	287,000	-94	-74
District, 18 cities....	1,473,000	26,409,000	-72	-33



**FINANCE**

**War Savings Bonds**

Sales of War Savings Bonds by this bank and qualified issuing agents in the District, other than post offices, averaged about \$1,205,000 daily, issue price, during the first twenty business days of September as compared with an average of \$940,000 for each business day in August and \$1,363,000 at the peak in sales last January. Sales of Series E bonds have shown a steady and marked increase in recent months. As a result, the rate of War Savings Bond sales in September was slightly higher than that last July, when the usual July reinvestment demand and a doubling of the limit on purchases of Series F and G bonds permitted any one investor per year had been important factors in a heavy volume of sales.

**Consumer Credit**

Total consumer instalment credit at reporting banks in this District has decreased 31 per cent since the first of the year. By far the greatest contraction has been in automobile financing, which has declined 44 per cent. Loans for the purchase of durable goods other than automobiles have declined 22 and repair and modernization loans under the Federal Housing Act 20 per cent, while personal instalment cash loans are 19 per cent lower than eight months ago.

At reporting department stores in the District, regular charge account receivables at the end of August were 27 and instalment account receivables 34 per cent less than a year ago. This reduction, however, reflects improved collections and a greater proportion of cash sales rather than a decline in total business. August collections on open charge accounts averaged 63 per cent as compared with 47 last year, and instalment collections averaged 25 against 19 per cent. The higher level of consumer income this year, recent action "freezing" delinquent charge accounts, and the requirement of larger monthly payments on instalment purchases have contributed to the improvement in collection ratios. Moreover, cash sales currently represent about 57 per cent of total sales at department stores as compared with 43 per cent last year, while charge sales have dropped from 44 to 36 and instalment sales from 13 to 7 per cent of the total.

**Member Bank Operations**

Volume of loans at 50 weekly reporting member banks in the Tenth District declined somewhat from the middle of August to the middle of September, while investment holdings, especially Treasury bills, and adjusted demand deposits continued to rise sharply to new record levels. Loans are 10 per cent below a year ago, but investments are 64 and adjusted demand deposits 30 per cent greater.

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

	Change from		
	Sept. 16 1942	Aug. 19 1942	Sept. 17 1941
(In thousands of dollars)			
Loans and investments—total.....	1,029,144	+16,019	+211,154
Loans—total.....	375,328	-3,662	-43,529
Coml., indust., agric.....	225,209	-1,042	-29,322
Open market paper.....	27,918	-1,605	-255
To security brokers and dealers.....	2,684	-1,172	-476
Other to purchase or carry secur.....	8,476	-169	-2,325
Real estate loans.....	34,472	-529	+1,137
Loans to banks.....	2	-10	-228
All other loans.....	76,567	+865	-12,060
Investments—total.....	653,816	+19,681	+254,683
U. S. Treasury bills.....	89,048	+12,611	+81,947
U. S. Treas. certif. of indebt.....	62,951	+406	+62,951
U. S. Treasury notes.....	91,394	-7,457	+47,513
U. S. Govt. bonds.....	214,595	+4,597	+104,813
Oblig. guar. by U. S. Govt.....	69,902	+5,662	-33,869
Other securities.....	125,926	+3,862	-8,672
Reserve with F. R. Bank.....	330,991	+35,313	+113,853
Balances "due from" banks—net.....	341,719	+484	*
Demand deposits—adjusted.....	841,225	+65,554	+192,616
Time deposits.....	139,878	+1,821	-1,596
U. S. Govt. deposits.....	13,199	-31,856	-5,475
Deposits "due to" banks—net.....	626,322	+15,986	*

\*Comparable data not available.

**Bank Debits**

Bank debits in this District in August continued about one-fifth above a year earlier, a rate of gain considerably larger than that for the country as a whole. Increases were particularly marked at Colorado Springs, Salina, and Muskogee, where large amounts of Government funds are being expended.

**Debits to deposit accounts in District cities:**

	Change from 1941	
	Aug. 1942	8 Mos. 1942
(Thousand dollars)		
Colo. Springs, Colo.....	26,134	182,373
Denver, Colo.....	250,981	1,719,692
Gr. Junction, Colo.....	3,707	30,387
Greeley, Colo.....	5,946*	.....
Pueblo, Colo.....	23,326	144,647
Achison, Kans.....	4,427	33,488
Emporia, Kans.....	4,675	34,020
Hutchinson, Kans.....	17,692	126,308
Independence, Kans.....	3,471	26,706
Kansas City, Kans.....	27,320	205,476
Lawrence, Kans.....	4,667	33,807
Pittsburg, Kans.....	7,218	49,708
Salina, Kans.....	21,634	116,026
Topeka, Kans.....	27,131	195,818
Wichita, Kans.....	104,350	732,953
Joplin, Mo.....	12,856	129,572
Kansas City, Mo.....	477,804	3,565,375
St. Joseph, Mo.....	39,336	309,766
Fremont, Nebr.....	5,062	33,812
Grand Island, Nebr.....	10,766*	.....
Lincoln, Nebr.....	38,199	268,922
Omaha, Nebr.....	248,082	1,776,517
Albuquerque, N. M.....	24,355	185,836
Bartlesville, Okla.....	31,245	247,517
Enid, Okla.....	13,909	109,578
Guthrie, Okla.....	1,600	14,024
Muskogee, Okla.....	18,626	130,590
Okla. City, Okla.....	130,895	1,022,522
Okmulgee, Okla.....	2,259	22,433
Tulsa, Okla.....	175,841	1,345,100
Casper, Wyo.....	8,460	59,278
Cheyenne, Wyo.....	12,365	90,969
District, 30 cities.....	1,767,627	12,943,220
U. S., 274 cities.....	49,180,000	383,700,000

\*New reporting center; not included in total.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

By the Board of Governors of the Federal Reserve System

Industrial output continued to rise in August and the first half of September and retail distribution of commodities also increased. Prices of farm products and foods advanced further.

PRODUCTION

Industrial output increased in August and the Board's seasonally adjusted index rose 3 points to 183 per cent of the 1935-1939 average. There were further marked increases in activity in the machinery, transportation equipment, and other armament industries. Crude petroleum production increased considerably from the reduced level of recent months and output of manufactured food products rose more than is usual at this time of year. Production of materials, such as steel, nonferrous metals, coal, and lumber, continued in large volume.

Value of construction contracts awarded in August declined from the record high levels of June and July, according to figures of the F. W. Dodge Corporation. The extent to which the continuing large volume of construction reflects the war program is indicated by the fact that in the first eight months of this year 84 per cent of total awards have been for publicly financed projects and in recent months the percentage has been higher.

DISTRIBUTION

Distribution of commodities to consumers increased considerably in August, reflecting particularly marked increases in department store sales and in sales of general merchandise in small towns and rural areas. Dollar value of sales to consumers in August was somewhat lower than the unusually large sales a year ago, when there was a considerable amount of anticipatory buying, while average prices were about 12 per cent higher. On the basis of physical volume, therefore, sales were smaller than a year ago.

Railroad freight carloadings were sustained at a high level during August and the first half of September, reflecting continued large shipments of most classes of freight.

COMMODITY PRICES

During August and the first half of September the general wholesale price index advanced about half a point to 99.2 per cent of the 1926 average, reflecting chiefly increases in prices of livestock products. Prices of wheat, flour, and some other uncontrolled commodities also advanced. New crop tobacco prices showed sharp increases over last year and a temporary ceiling at current levels was established for flue-cured types.

Retail food prices continued to rise from the middle of July to the middle of August and further increases are indicated in September. Prices of uncontrolled foods in August were 10 per cent higher than in May.

AGRICULTURE

Crop prospects improved considerably during August and aggregate production this year is expected to be about 15 per cent greater than in 1941, which was close to a record year for crops. Unusually high yields per acre are indicated for most major crops and for some others, like oilseed crops, substantially increased acreages are expected to be harvested. Feed grain supplies are expected to be of record proportions, but owing to the growing number of livestock on farms the supply per animal will probably be about the same as last season.

BANK CREDIT

Excess reserves of member banks, which have generally fluctuated between 2.0 and 2.5 billion dollars in recent months, rose temporarily to over 3 billion on September 16. This increase was due partly to a further reduction in reserve requirements on demand deposits at central reserve city banks from 24 to 22 per cent and partly to Treasury disbursements out of its balances with the Reserve Banks in connection with September 15 tax collections and fiscal operations. Funds for these disbursements arose in part from the issuance of special one-day certificates to the Reserve Banks.

Excess reserves of New York City banks have been declining for a number of months owing principally to the excess of funds raised in that city by the Treasury over amounts expended there. The effect of this drain has been offset in part by purchases of Government securities by the Federal Reserve System and by the two successive reductions in reserve requirements.

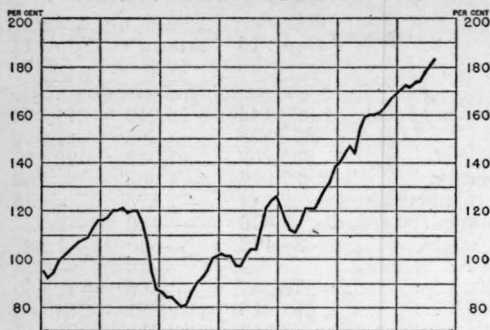
At banks outside New York City excess reserves have shown little change in recent months. These banks have lost reserves through currency drain and their required reserves have increased owing to growth of their deposits; both these factors, however, have been largely offset by transfers of funds from New York.

Holdings of Government securities at New York City banks, which increased substantially in July and August, declined somewhat in the first half of September. At banks outside New York City holdings have continued to increase.

UNITED STATES GOVERNMENT SECURITY PRICES

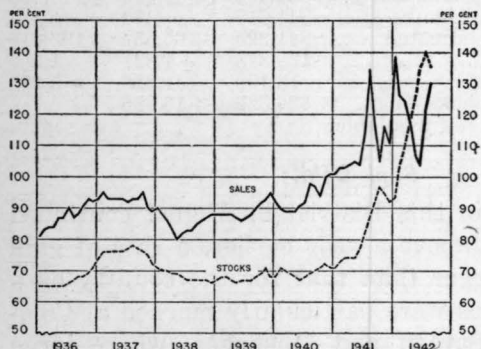
The recent 3 billion dollar Treasury cash financing operation had little effect on the Government securities market, and prices continued steady.

INDUSTRIAL PRODUCTION



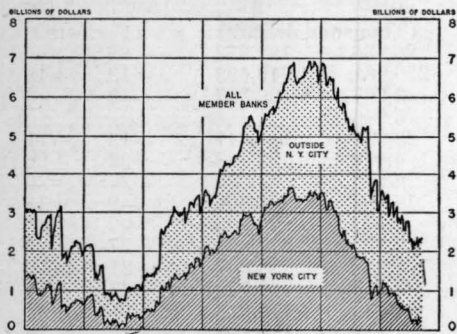
Federal Reserve monthly index of physical volume of production, adjusted for seasonal variation, 1935-39 average=100. Latest figures shown are for August, 1942.

DEPARTMENT STORE SALES AND STOCKS



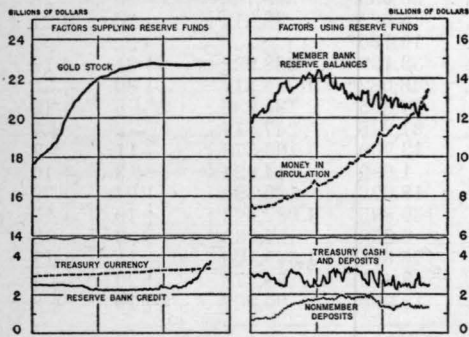
Federal Reserve monthly indexes of value of sales and stocks, adjusted for seasonal variation, 1923-25 average=100. Latest figures shown are for August, 1942.

EXCESS RESERVES OF MEMBER BANKS



Wednesday figures, partly estimated. Latest figures shown are for September 9, 1942.

MEMBER BANK RESERVES AND RELATED ITEMS



Wednesday figures. Latest figures shown are for September 9, 1942.