

AGRICULTURE

Farm Land Values

Farm land values continued to rise during 1942, according to the Department of Agriculture, and the rate of increase was greatly accelerated during the last four months of the farm real estate year ending March 1, 1943. In the last year, the per acre value of farm real estate in Wyoming and Colorado has risen 13 per cent, in New Mexico 6, in Nebraska 8, in Kansas 14, in Oklahoma 10, and in Missouri 12 per cent. Kansas tied with Kentucky for first place in the nation with respect to percentage increases over the year period. The increase for the United States was 9 per cent, the largest relative gain for any year since 1920 when the postwar boom in farm land values was at its peak.

Department of Agriculture indexes of per acre farm real estate values on March 1:

	Colo.	Kans.	Mo.	Nebr.	N.Mex.	Okla.	Wyo.	U.S.
	(1912-14 average=100)							
1943.....	78	84	74	64	101	111	88	99
1942.....	69	74	66	59	95	101	78	91
1941.....	63	71	60	55	87	96	71	85
1940.....	61	71	59	58	84	93	68	84
1939.....	61	76	58	65	83	93	66	84
1938.....	60	78	60	69	83	94	66	85
1937.....	60	78	60	72	82	91	66	85
1936.....	57	75	60	73	80	91	65	82
1935.....	53	73	58	72	76	86	62	79
1934.....	54	72	57	72	76	83	62	76
1933.....	54	70	55	69	75	76	62	73
1932.....	65	89	67	90	89	94	77	89
1931.....	81	103	79	106	109	116	95	106
1930.....	83	113	92	113	110	127	98	115
1929.....	82	113	95	116	109	127	96	116
1928.....	82	113	96	117	108	127	95	117
1927.....	82	113	99	119	108	128	94	119
1926.....	89	113	104	123	106	130	95	124
1925.....	92	115	112	123	108	131	100	127
1920.....	141	151	167	179	144	166	176	170
1915.....	93	103	102	101	100	95	103	103

For the whole country, farm land values are 36 per cent above the low point of 1933. In this District, values in Wyoming are up 42 per cent from 1933, in Colorado 44, in New Mexico and Missouri 35, and in Oklahoma 46 per cent. In Kansas and Nebraska, however, there had been a serious decline in farm land values after 1937. As a result, the low point in Nebraska was not reached until 1941, while in Kansas land values by 1941 had dropped back almost to their 1933 low. Present values in Kansas consequently are only 20 per cent above 1933 while in Nebraska they are 7 per cent below 1933 and are still very low despite the recovery of the last two years. Farm land values for the country as a whole are 42 per cent under the 1920 peak. Values in New Mexico are only 30 and in Oklahoma 33 per cent under the high point reached at that time, but in Wyoming they are 50, Colorado 45, Kansas 44, Nebraska 64, and in Missouri 56 per cent under the 1920 high.

The marked rise in farm land values that has taken place in the last two years has been due in part to the

practical depletion of the large number of farms recently held for sale by lending agencies, elderly farmers, and estates in the process of liquidation. As active farmers and investment buyers accumulated liquid funds with which to purchase farm land, this distressed land for the most part has been removed from the market and land values have then been enabled to reflect the rise in commodity prices and record levels of farm income. The increase in farm land values so far, however, has been relatively small compared to the rise in farm prices and farm income. Land values respond slowly, especially so at first, and present value-stimulating influences, according to the Department of Agriculture, are tempered to some extent by a number of factors, including existing or expected farm labor shortages, higher wages and other costs, difficulties in obtaining adequate supplies of machinery, equipment, and fertilizers, farm commodity price controls, heavier taxes and purchases of war bonds, the confused postwar outlook, and the recollection of the crash in farm land values following the last war, when farm commodity prices late in 1920 collapsed and the consequent greatly reduced level of farm income was incapable of sustaining an inflated level of land values. Many farmers also are using their additional current income to pay off debts rather than to buy more land. There is as yet little evidence of purely speculative activity.

Farm Labor

The seriousness of the farm labor situation is indicated by the fact that the farm population of the United States at the beginning of this year was the smallest in 33 years of record, following a net movement from farms of 1,627,000 persons during 1942, 1,357,000 in 1941, and 681,000 in 1940, according to estimates of the Department of Agriculture. These figures include 737,000 farm men entering the armed forces in 1942, 211,000 in 1941, and about 75,000 in 1940. Since last November, however, appreciably over 1 million farm workers have been deferred and the recent "freezing" of jobs is expected to slow down the migration of workers from farms to better paying urban employment. Meanwhile, the War Food Administration is mobilizing a "land army" of 3½ million nonfarm men, women, and boys for full-time and part-time work on the farm and plans to import up to 65,000 foreign agricultural workers to help ease the farm labor shortage. Quotas for fertilizers, farm machinery, and repair parts have been liberalized also to enable farmers to plant and harvest large crops.

Crops

Generous to excessive rains in the middle of May, extending from northern New Mexico and eastern Colorado eastward, effectively relieved droughty con-

ditions over a large portion of the District. Moisture, however, is still needed in much of New Mexico, in northwestern Oklahoma, in southwestern Kansas, and in parts of Nebraska. The May rains were exceptionally heavy in the eastern part of the District and caused serious flood losses in the Tri-State area of southeastern Kansas, northeastern Oklahoma, and southwestern Missouri. Rainfall in eastern Kansas in the first three weeks of May was nearly twice normal and in much of Oklahoma it was two to three times the normal amount. In many sections of the District, April had been the fourth consecutive month of below normal precipitation. Wyoming has had good moisture, but up to May the accumulated deficiency in Colorado amounted to 19 per cent, in Nebraska 25, in Kansas 37, in Oklahoma 39, in New Mexico 53, and in Missouri 41 per cent.

During April, winter wheat prospects in most sections of the District had declined appreciably because

RAINFALL

	Apr. 1943		4 Mos. 1943	
	Total	Normal	Total	Normal
	(In inches)			
COLORADO				
Denver.....	0.93	2.06	2.07	4.03
Leadville.....	0.95	1.78	6.48	6.08
Pueblo.....	0.56	1.31	1.51	2.68
Lamar.....	1.17	1.77	1.61	3.43
Alamosa.....	0.02	0.53	0.50	1.10
Steamboat Springs.....	1.25	1.90	7.14	8.87
KANSAS				
Topeka.....	1.40	2.78	2.87	7.33
Iola.....	2.17	3.90	4.90	9.29
Concordia.....	2.29	2.36	3.87	5.08
Salina.....	2.68	2.47	4.57	5.56
Wichita.....	1.94	2.91	4.09	6.69
Hays.....	1.45	2.29	3.08	4.37
Goodland.....	1.73	1.86	2.89	3.56
Dodge City.....	1.30	1.94	2.01	4.01
Elkhart.....	1.00	1.75	1.46	3.44
MISSOURI				
St. Joseph.....	1.41	3.19	3.03	8.62
Kansas City.....	1.75	3.14	3.84	8.33
Joplin.....	4.11	4.70	8.26	11.74
NEBRASKA				
Omaha.....	2.45	2.51	3.98	5.47
Lincoln.....	1.44	2.53	3.07	5.39
Norfolk.....	0.89	2.69	3.13	5.36
Grand Island.....	1.64	2.45	2.62	5.12
McCook.....	1.95	1.86	2.92	3.74
North Platte.....	2.33	2.06	3.12	3.84
Bridgeport.....	1.75	2.12	2.81	3.81
Valentine.....	1.89	1.85	3.05	3.90
NEW MEXICO				
Clayton.....	1.19	1.70	1.24	3.23
Santa Fe.....	0.13	1.00	1.60	3.22
Farmington.....	0.09	0.64	2.31	2.60
OKLAHOMA				
Tulsa.....	1.04	4.13	4.68	10.49
McAlester.....	3.50	4.58	7.28	12.74
Oklahoma City.....	2.79	3.29	5.16	7.57
Pauls Valley.....	4.12	3.88	6.68	9.07
Hobart.....	1.06	3.10	2.83	6.40
Enid.....	1.11	3.26	2.84	7.10
Woodward.....	1.38	2.49	1.90	5.60
WYOMING				
Cheyenne.....	1.34	1.99	3.38	4.07
Casper.....	1.00	1.96	3.22	4.71
Lander.....	2.91	2.06	5.23	4.44
Sheridan.....	1.61	1.92	3.70	4.63

of continued rather dry weather. With the principal exception of Oklahoma, however, acreage abandonment including diversion to purposes other than for grain has been light and prospective yields on the acreage remaining for harvest generally are much above the average. As a result, production for the District, although indicated to be about one-fourth below last year, is still about one-fifth above the average from 1932 to 1941 on an acreage that is one-fourth smaller than average. In Oklahoma, green bugs were favored by unusually cool weather this spring and have caused heavy damage to winter wheat as well as to oats and barley.

Department of Agriculture winter wheat estimates:

	Acreage Abandoned		Yield Per Acre		Production	
	Indic. 1943	Aver. '32-'41	Indic. 1943	Aver. '32-'41	Indic. 1943	Aver. '32-'41
	(Per cent)		(Bushels)		(1,000 Bushels)	
Colo.....	7.0	45.5	18.0	12.1	20,196	8,356
Kans.....	5.0	27.9	16.0	11.5	158,832	117,969
Mo.....	9.0	8.2	14.0	14.2	15,610	27,555
Nebr.....	7.5	24.4	17.0	12.9	46,648	35,078
N. Mex....	30.0	47.1	9.0	8.7	2,052	1,741
Okla.....	15.0	18.0	12.0	11.5	38,760	47,441
Wyo.....	17.0	38.6	14.0	11.6	1,624	1,123
7 States..	....	....	....	....	283,722	239,263
U. S.....	11.1	20.6	15.5	14.3	515,159	550,181

Disappearance of wheat for food, livestock feed, alcohol, and export currently is at a rate of over 950 million bushels annually, the highest since 1920, and the carry-over next July 1 is now expected to drop to about 548 million bushels from the peak of 632 million a year earlier. Because it is anticipated that disappearance next year will be even greater, the War Food Administration has taken several steps to insure adequate supplies for domestic consumption and for lend-lease shipment abroad. The former AAA restrictions on wheat production have been removed; import quotas for wheat have been suspended; the export subsidy on flour has been discontinued; and late in May the War Food Administration indicated its intention of asking farmers for a sharp increase in the acreage to be sown to winter wheat next fall and of shifting wheat production from high cost areas east of the Mississippi River to the hard winter wheat belt of the southwest. This concentration of wheat production in the lost cost, high plains areas where it is the chief crop adapted to human use would involve an increase of about 10 million acres of wheat in southwestern Nebraska, western Kansas, Colorado, Oklahoma, and in Texas, while an equal amount of land east of the Mississippi would be planted to corn and soybeans instead of wheat.

Cash wheat prices since early last March have tended to ease gradually, recently being influenced by generous rains over much of the winter wheat belt and

by the possibility of a ceiling on wheat prices. As prices weakened, redemptions of loan wheat contracted sharply and marketings were less heavy than earlier this year, with indications that the CCC came into possession of a large part of the 180 million bushels of wheat on which loans expired on April 30. Cash corn prices are at the ceiling established in the middle of April but producers continue to hold corn and marketings remain far below trade requirements despite efforts of the War Food Administration to improve this situation. On May 4, the War Food Administration limited purchases and deliveries of corn by manufacturers and feed mixers to a 45 days' supply and purchases by feeders to a 90 days' supply, including stocks on hand, and announced that all producers having loans on 1938, 1939, 1940, or 1941 crop corn (totaling about 55 million bushels) would be required to redeem their corn or deliver it to the CCC by July 1. Loans on 1942 crop corn have not been called, but the quantity of such corn under seal is included as part of a feeder's 90 days' supply. The difficulty of obtaining corn continues to concentrate feeding demand on other feed grains and on wheat.

The lower range of Kansas City cash grain prices:

	May 27 1943	Apr. 30 1943	Mar. 31 1943	Apr. 30 1942
No. 1 hd., dk. wheat, bu....	\$1.38 $\frac{1}{4}$	\$1.37 $\frac{1}{2}$	\$1.39 $\frac{1}{2}$	\$1.12 $\frac{1}{4}$
No. 2 mixed corn, bu.....	1.04	1.04	.99	.77
No. 2 white oats, bu.....	.71 $\frac{1}{2}$	.68 $\frac{1}{4}$	.67	.53 $\frac{1}{2}$
No. 2 rye, bu.....	.93	.88 $\frac{1}{2}$	.88	.68 $\frac{1}{2}$
No. 2 barley, bu.....	.94	.90	.92	.56 $\frac{1}{2}$
No. 2 white kafir, cwt.....	2.39	2.15	1.94	1.16

Livestock

Livestock prices had declined rather sharply near the middle of April, reacting in part to consumer rationing of meats, talk of possible price ceilings on live animals, and other control measures for meeting the black market. In May, prices of beef steers and hogs tended to decline somewhat further in response to a seasonal expansion in marketings, while for lambs receipts have been relatively light and prices steady. Although marketings of cattle and hogs have been heavy, there is as yet little evidence of any serious liquidation because of increasing difficulties in the feed situation. Livestock prices previously had been high in relation to ceilings on wholesale and retail dressed meat prices, and the recent declines permitted some improvement in operating margins of packers. The greatest decline occurred in hog prices, which dropped from a 23-year high of \$15.65 a hundredweight early in April to \$14.15 near the end of May. Prices of hogs and lambs currently are very little above a year ago, but prices of beef steers and of stocker and feeder cattle are still much above a year earlier. Since early last March, the average cost of

stocker and feeder steers at Kansas City has held at a record level above \$14 a hundredweight.

Top carlot livestock prices at Kansas City:

	May 27 1943	Apr. 1943	Mar. 1943	Apr. 1942	Apr. 1941	Apr. 1940
	(In dollars per hundredweight)					
Beef steers.....	16.50	17.10	17.00	15.00	12.75	11.50
Stocker cattle.....	16.50	17.00	16.50	14.00	12.65	11.00
Feeder cattle.....	15.50	15.75	15.50	13.75	11.25	10.85
Calves.....	15.50	15.00	16.00	15.00	12.00	10.50
Hogs.....	14.15	15.65	15.60	14.55	9.05	6.45
Spring lambs.....	15.75	16.00	16.50	14.00	12.50	11.10
Slaughter ewes.....	7.85*	9.10	9.50	7.50	7.00	5.50

*Shorn basis.

The corn-hog ratio is still decidedly favorable to hog feeding and hog production but much less so than it was last October as a substantial rise in corn prices in the last six months and a moderate decline in hog prices during this period have greatly reduced the profitableness in feeding corn to hogs. Over a long period of years, 11.6 bushels of corn have been equal in value to one hundred pounds of live hog, representing a ratio usually referred to as 11.6 to 1. When corn is cheap in relation to hogs and the ratio is above this level, farmers tend to feed corn to hogs and market it in the form of pork instead of grain. Last October, this ratio in Nebraska was 20.3 but by mid-April it had dropped to 15.8, while in Kansas it declined from 18.4 to 14.2, in Oklahoma from 16.2 to 12.4, and in Missouri from 17.4 to 13.5. On the basis of ceiling prices on corn and Government support prices on hogs, however, it is estimated that the ratio will not fall below a level conducive to hog production. Preliminary reports indicate that the spring pig crop in Nebraska is about 10 per cent larger than was estimated on the basis of fall farrowing intentions and is 20 per cent above the war goal, but breeding plans this spring are uncertain.

In May, an increase in the amount of green feeds and pastures available in many areas eased to some extent the serious shortage of commercial protein feedstuffs, and some encouragement in the feeding situation was derived from a steadily increasing volume of ground feed wheat being produced. Disappearance of feed grains—corn, oats, barley, and grain sorghums—has been very heavy, due not only to a larger number of livestock being fed but to an increase also in the amount fed per unit. At the present rate of consumption, the entire record feed grain crops produced in 1942, as well as a large amount of wheat, will be fed to livestock this year, and the carry-over of feed grains next October 1 will be little different from a year earlier. Although present reserves of feed grains are still large, the number of grain-consuming livestock on farms next year is expected to be 5 to 10 per cent larger than this year and supplies of feed grains per grain-consuming animal unit, including

wheat and rye available for feed, 10 to 15 per cent smaller. To forestall the possibility of an acute shortage of feed grains by the summer and fall of 1944, farmers must increase feed production this year, reduce the current rate of feeding, thereby cutting down per animal yields of pork, lard, eggs, milk, and beef, or reduce livestock production, especially hogs and poultry. Action has already been taken by the War Food Administration to supplement feed supplies by imports.

Ranges and pastures in Wyoming, in eastern Colorado, and in Oklahoma improved considerably during April and many sections of the District benefited from heavy rains in May. However, ranges in the western parts of Nebraska and Kansas, in western Colorado, and in New Mexico still needed moisture to promote the growth of new grass. In New Mexico, stockmen were greatly concerned about a critically dry situation and the lack of green feed for lambs and calves. Weather during April generally was very favorable for livestock and for lambing, calving, and shearing but reports indicate some loss of late lambs in Colorado from cool, wet weather at the middle of May.

Farm Income

Cash income from farm marketings in this District in the first quarter of 1943 was nearly half again larger than a year earlier. Income from crops rose 74 and from livestock and livestock products 39 per cent. Among crops, the largest increases in income were from oil-bearing crops, for which both prices and sales were up sharply, and from cotton and wheat because of higher prices and net additions to income resulting from the active redemption and sale of loan wheat and cotton at prices higher than the loan rate. In the livestock group, poultry and eggs recorded the largest increase in income, but returns from meat animals and dairy products have also been substantially higher than last year. All states of the District have shared in the continued rise in farm income except Wyoming, where sharply smaller sales of sheep and lambs this year have seriously affected income. Present prospects indicate that the total volume of agricultural production in 1943 may be only slightly larger than in 1942. The general level of farm product prices so far this year has been from one-fifth to one-fourth higher than last year but more and more prices of farm products are reaching their ceilings. Since the demand for farm products is increasing, owing to rising consumer incomes and expanding military and lend-lease needs, the behavior of farm income and prices over the next few months, according to the Department of Agriculture, will depend in large measure on the success of the Government, under recently expanded controls, in stabilizing prices in the face of this rising demand.

Department of Agriculture estimates of cash income from farm marketings:

	Mar.	3 Mos.	Change from '42	
	1943	1943	Mar.	3 Mos.
	(Thousand dollars)		(Per cent)	
Colorado.....	20,722	53,219	+60	+47
Kansas.....	45,838	131,660	+65	+56
Missouri.....	41,818	125,775	+32	+33
Nebraska.....	53,792	140,309	+86	+55
New Mexico.....	5,990	17,196	+104	+67
Oklahoma.....	27,123	72,109	+63	+42
Wyoming.....	3,635	10,968	-26	-7
Seven states.....	198,918	551,236	+58	+46
United States.....	1,310,399	3,697,479	+45	+35

DEPARTMENT STORE TRADE

Dollar volume of sales at reporting department stores in this District in April and in the first four months of the year was 32 per cent larger than a year ago, and in the first three weeks of May sales continued about one-third above a year earlier. A large part of the April gain, however, was due to the later Easter date this year, and the comparison for May is with a relatively poor period last year when a rush to buy goods had subsided following the issuance of a general maximum price regulation. On the other hand, most of the increase in dollar volume over last year represents an increase in the physical volume of merchandise being sold as retail prices on the average, according to the Fairchild Index, are about the same as at this time last year.

Inventories at department stores increased more than is usual during April, reflecting some improvement in deliveries, but stocks are now 13 per cent under a year earlier, when they had been rising rapidly, and stocks on hand represent only 2.4 months' supply at the current rate of sales as compared with 3.9 months' supply last year. The volume of merchandise on order, however, is 58 per cent greater than a year ago. April collections at department stores averaged 68 per cent on regular charge accounts compared with 49 per cent a year earlier, while instalment collections averaged 33 against 22 per cent.

Department store sales and stocks in leading cities:

No. of Stores	SALES		STOCKS	
	Apr. '43	4 Mos. '43	Apr. 30, '43	
	comp. to Apr. '42	comp. to 4 Mos. '42	comp. to Apr. 30, '42	
(Per cent increase or decrease)				
Denver.....	7	+25	+33	-19
Hutchinson.....	3	+36	+37	*
Topeka.....	3	+34	+36	*
Wichita.....	4	+28	+38	*
Joplin.....	3	+5	+5	*
Kansas City.....	8	+27	+27	-23
St. Joseph.....	3	+31	+25	*
Omaha.....	4	+36	+29	*
Oklahoma City.....	6	+57	+55	+2
Tulsa.....	5	+39	+25	-2
Other cities.....	31	+31	+30	-3
District.....	77	+32	+32	-13

*Not shown separately but included in District total.

PRODUCTION

Flour Milling

Southwestern flour milling operations dropped from 86 per cent of capacity near the middle of April to 74 per cent in the forepart of May as shipping directions declined. The volume of orders on mills' books is exceptionally large because of heavy forward buying earlier in the year, but bakers and jobbers apparently are well stocked and recently have been slow to order out supplies. In addition, flour sales currently are relatively light with the approach of the new crop season and with fairly stable wheat prices. Jobbers especially have been slow to order out supplies, this situation reflecting a substantial decline in the movement of flour from grocers' shelves since the rationing of fats became effective late in March when shortenings for home baking had to compete with meat, butter, and other fats for the same ration coupons. The decline in shipping instructions on flour contracts and the consequent drop in flour production have curtailed the output of by-product millfeeds also, and millfeed supplies continue far below needs for livestock feeding. Flour production, however, is about one-fifth higher than last year and about one-fourth above the average of the past ten years.

Petroleum

Some expansion in drilling and exploratory operations has occurred in recent weeks, with the result that the number of wells completed in Kansas, Colorado, and Wyoming so far in 1943 is about even with a year ago but in Oklahoma and New Mexico completions are still lagging considerably behind last year. The OPA early in May denied the request of the Petroleum Administrator for War for a general increase of 35 cents a barrel in crude oil prices which was designed to stimulate wildcat drilling and the discovery of new reserves to offset heavy wartime consumption of petroleum. Maximum prices on crude oil produced in part of southwestern Oklahoma, however, were raised slightly on May 17. Crude oil production in this District currently is rising gradually and in April was 6 per cent larger than last year but generally continues insufficient to meet essential civilian and military needs for refined products. The summer agricultural demand for gasoline, principally for tractors, normally is supplied from storage accumulated earlier in the year. Storage stocks of motor fuel this year, however, have shown little or no accumulation, owing to restrictions on the percentage yield of gasoline and to the diversion of refining equipment to the production of blends to be used in the manufacture of aviation gasoline. The farm demand for gasoline, which had been expected to be the largest on record, is even exceeding previous estimates and gasoline consump-

tion in highly congested war plant areas also is far ahead of expectations. At the same time, demand for residual fuel oils from industries, war plants, and railroads is growing more rapidly than the supply.

Employment

Nonagricultural employment in the District, according to the latest available estimates of the Department of Labor, is about 13 per cent higher than a year ago, and a rise of one-third in employment in manufacturing industries accounts in large part for the increase. Despite substantial additions of women to the labor force, the rising trend in nonagricultural employment, however, shows some tendency to level off, emphasizing the difficulty of maintaining wartime levels of employment and at the same time increasing the number of men in the armed forces. In addition, there is currently some movement of workers back to the farm who had been temporarily employed in industry, and recently there have occurred scattered layoffs due to the completion of construction programs, shortages of materials, and changes in production requirements. Unemployment, of course, is exceptionally low.

Department of Labor employment estimates:

	Feb.	Jan.	Change from '42	
	1943	1943	Feb.	Jan.
	(Number)		(Per cent)	
Colorado.....	278,000	288,000	+11	+16
Kansas.....	431,000	425,000	+32	+32
Missouri.....	961,000	959,000	+7	+8
Nebraska.....	261,000	260,000	+22	+21
New Mexico.....	79,500	80,300	+6	+9
Oklahoma.....	368,000	363,000	+10	+10
Wyoming.....	57,800	57,000	+8	+6
Seven states.....	2,436,300	2,432,300	+13	+14
United States.....	37,958,000	37,862,000	+8	+9

FINANCE

Second War Loan Drive

Sales of Government securities during the Second War Loan drive totaled 589 million dollars in this District. Of this amount 63 per cent represented sales to nonbank investors while for the whole country 72 per cent of all sales were to nonbank investors. There is, however, one difficulty with this comparison: in addition to individuals, nonbank investors include insurance companies, corporations, and savings banks whose subscriptions tend to be concentrated in certain sections of the country. This is true not only for the whole country but also for states and localities within this District. In the First War Loan drive last December, when District sales totaled 334 million dollars, only 48 per cent of all sales were to nonbank investors compared with 61 per cent for the country as a whole. In April, quotas were assigned to each state and locality on the basis of total bank deposits exclusive of interbank and Government deposits, this

appearing to be the most satisfactory bench mark readily available. Nebraska exceeded its nonbank quota by 77 and Oklahoma by 66 per cent, while District sales were also 66 per cent above the nonbank goal and nationally they were 57 per cent over the goal.

District sales during the Second War Loan drive:

	Total Sales	Sales to Commercial Banks	Sales to Nonbank Investors	Sales to Commercial Banks	Sales to Nonbank Investors
	(In thousands of dollars)			(% of Total)	
Colo.....	74,507	22,840	51,667	31	69
Kans.....	124,055	54,129	69,926	44	56
Mo.*.....	112,570	36,123	76,447	32	68
Nebr.....	122,679	48,331	74,348	39	61
N.Mex.*	8,399	3,505	4,894	42	58
Okla.....	112,732	46,187	66,545	41	59
Wyo.....	13,805	5,150	8,655	37	63
Other.....	20,450	....	20,450	0	100
Dist.....	589,197	216,265	372,932	37	63
U. S.....	17,819,000	4,977,000	12,842,000	28	72

*Includes only those counties in Tenth Federal Reserve District.

April District sales of War Savings Bonds were 122 against 50 million dollars last December. This increased response by individuals to the latest drive is encouraging, but there is widespread feeling that even greater progress must be made in diverting current income in the hands of the public into the war effort. Bank subscriptions in the recent drive were nearly three and a half times allotments, and sales of Government securities to banks were purposely limited during both drives, not only to secure a wide participation by the public in financing the war but also to minimize the inflationary effect of bank purchases of these securities. Bank purchases were greatly facilitated in the April drive by increased use of war loan accounts to pay for securities purchased and by recent legislation exempting such deposit accounts from reserve requirements and from Federal deposit insurance assessments. By use of so-called war loan deposits, the banks credit the Treasury for Government securities purchased for their own account and for the account of their customers. These funds are then drawn upon by the Treasury as needed and large transfers of funds to the Reserve banks are avoided at the time the securities are bought.

Member Bank Credit

Investments of weekly reporting member banks in the Tenth District rose sharply from the middle of April to the third week of May, reflecting chiefly purchases of new issues of Government securities during the Second War Loan drive. During this period also, there was a wide shift in deposits. Deposits other than those of the United States Government were drawn down considerably while Government deposits increased substantially, representing primarily large payments to war loan accounts for Government securities sold to bank customers as well as purchased by banks themselves. Loans continue to decline.

Principal items of condition of 50 member banks:

	May 19 1943	Apr. 14 1943	Change from May 20 1942
(In thousands of dollars)			
Loans and investments—total.....	1,526,963	+156,051	+653,837
Loans—total.....	319,790	-19,491	-66,786
Coml., indust., agric.....	200,654	-19,625	-28,223
Open market paper.....	13,018	-1,137	-19,304
To security brokers and dealers....	3,326	+1,800	+19
Other to purchase or carry secur.	8,318	+601	-650
Real estate loans.....	33,325	+420	-1,331
Loans to banks.....	110	+31	+109
All other loans.....	61,039	-1,581	-17,406
Investments—total.....	1,207,173	+175,542	+720,623
U. S. Treasury bills.....	218,965	+34,952	+176,135
U. S. Treas. certif. of indebt.....	214,707	+61,705	+197,361
U. S. Treasury notes.....	169,637	+3,409	+115,358
U. S. Govt. bonds.....	415,108	+69,614	+251,821
Oblig. guar. by U. S. Govt.....	57,716	+1,296	-28,646
Other securities.....	131,040	+4,566	+8,594
Reserve with F. R. Bank.....	341,338	-35,118	+78,202
Balances "due from" banks—net.....	306,125	-6,414	*
Demand deposits—adjusted.....	1,006,137	-16,258	+317,398
Time deposits.....	151,389	+1,380	+15,462
U. S. Govt. deposits.....	185,953	+138,157	+163,112
Deposits "due to" banks—net.....	748,130	-10,305	*

*Comparable data not available.

Bank Debits

Bank debits in this District in April were nearly half again larger than in the corresponding month last year. The increase in the volume of debits to deposit accounts at banks is quite general throughout the District and is especially pronounced at reporting centers in Nebraska and Kansas.

Bank debits to deposit accounts in District cities:

	Apr. 1943	4 Mos. 1943	Change from '42 Apr.	4 Mos. (Per cent)
(Thousand dollars)				
Colo. Springs, Colo....	22,455	88,395	+5	+30
Denver, Colo.....	228,189	995,183	+16	+24
Gr. Junction, Colo....	5,972	20,243	+54	+35
Greeley, Colo.*.....	8,920	31,832	....	....
Pueblo, Colo.....	22,329	81,360	+39	+26
Atchison, Kans.....	5,619	20,534	+41	+28
Emporia, Kans.....	6,680	23,544	+57	+41
Hutchinson, Kans....	20,720	87,705	+65	+59
Independence, Kans.	4,556	17,217	+42	+29
Kansas City, Kans....	38,790	138,380	+49	+45
Lawrence, Kans.....	7,462	26,656	+113	+62
Parsons, Kans.*.....	5,631	21,901	....	....
Pittsburg, Kans.....	7,731	29,866	+31	+26
Salina, Kans.....	21,360	79,375	+104	+74
Topeka, Kans.....	43,514	146,222	+97	+62
Wichita, Kans.....	153,387	559,656	+77	+67
Joplin, Mo.....	14,145	52,279	-24	-24
Kansas City, Mo.....	636,298	2,304,272	+54	+39
St. Joseph, Mo.....	49,230	198,605	+30	+31
Fremont, Nebr.....	7,894	26,780	+85	+72
Grand Island, Nebr.*	13,940	47,953	....	....
Lincoln, Nebr.....	54,170	174,217	+76	+43
Omaha, Nebr.....	334,928	1,235,201	+57	+50
Albuquerque, N. M....	30,524	115,959	+42	+32
Bartlesville, Okla....	32,998	132,707	+14	+6
Enid, Okla.....	16,786	65,205	+41	+26
Guthrie, Okla.....	2,081	8,285	+22	+11
Muskogee, Okla.....	14,872	61,286	-8	+20
Okla. City, Okla.....	175,165	637,118	+53	+29
Okmulgee, Okla.....	3,536	13,065	+30	+10
Tulsa, Okla.....	223,335	785,987	+39	+15
Casper, Wyo.....	8,525	31,052	+29	+10
Cheyenne, Wyo.....	16,650	67,997	+47	+55

District, 30 cities..... 2,209,901 8,224,351 +46 +35
 U. S., 274 cities..... 70,137,000 239,045,000 +50 +29
 *Not included in total; comparable data not available.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

By the Board of Governors of the Federal Reserve System

Industrial activity in April and the early part of May increased somewhat further, and retail trade was maintained in large volume.

INDUSTRIAL PRODUCTION

The Board's index of total industrial output rose slightly in April, reflecting further increases in activity in war industries, while output in most other lines showed little change.

Production of armaments in the machinery and transportation equipment industries rose to new high levels. Activity at steel mills increased somewhat further. Lumber production showed the usual seasonal rise in April and was at a level about 10 per cent less than a year ago, when problems of maintaining an adequate labor supply in the industry began to develop. In the cement industry, where production usually advances sharply during the spring months, production has shown little change this year, reflecting chiefly the restricted volume of current construction activity.

Total output of manufactured foods in April continued below the seasonally adjusted peak level reached at the end of last year. Meat packing and flour production showed decreases in April, while output of dairy products and other manufactured food products was maintained. Volume of output in chemical plants continued to gain. Production of other nondurable manufactures showed little change.

There was a decline in bituminous coal production in the last week of April, following the breaking-off of negotiations for a new wage contract, but output increased in the early part of May. Production of coal in March had been at an exceptionally high level. Stocks on May 1 were considerably higher than a year ago and for bituminous coal were estimated to be equivalent to 55 days' supply for industrial purposes. In May the Government took over the bituminous coal mines.

Value of construction contracts awarded declined in April, reflecting reductions in contracts for Federal work, according to the F. W. Dodge Corporation. Total residential awards in March and April were at the lowest levels for these months in a number of years.

DISTRIBUTION

Sales at department and variety stores increased in April, but the rise was less than usually occurs when Easter falls late in the month. Mail-order sales, principally to persons in small towns and rural areas, showed about the usual seasonal rise. Value of sales in April continued at a level substantially higher than a year ago but, with prices higher, the physical volume of goods sold was probably about the same as in the corresponding period last year.

Carloadings of revenue freight were maintained in large volume in April and the first week of May. Ore shipments showed a seasonal rise beginning in the last half of April, a month later than in 1942 when the movement was unusually early.

COMMODITY PRICES

Wholesale prices of most commodities showed little change from the middle of April to the middle of May. Retail food prices continued to advance sharply in the latter part of March and the early part of April and the indexes showed increases of 6 per cent as compared with January. Retail prices of most other items in the cost of living showed smaller increases in that period. Plans for more effective enforcement of price ceilings have been announced.

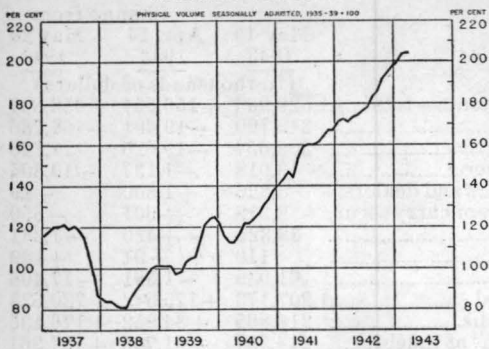
BANK CREDIT

During May, as the Treasury made disbursements out of war loan accounts, which had been built up during the recent drive, there was a growth of bank deposits subject to reserve requirements and a decrease in member bank excess reserves. Continued withdrawals of currency also reduced bank reserves. Nevertheless, the reserves of member banks were sufficient to enable them to make substantial repurchases of bills which had been sold to the Reserve Banks under option. In addition, the Federal Reserve System sold some bonds in response to a market demand.

Government security holdings at reporting member banks in 101 leading cities increased by 4.3 billion dollars in the four weeks ending May 12. These increases reflected purchases of new issues during the War Loan drive, as well as substantial market purchases.

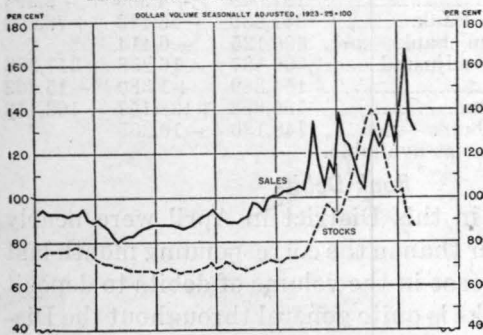
In New York City, loans to brokers and dealers for purchasing or carrying securities increased by 860 million dollars during the three weeks of the War Loan drive, and subsequently declined in the first three weeks of May; these changes reflected almost entirely activity in loans for purchasing or carrying Government securities, which on May 19 amounted to 580 million dollars of the total 1,020 million dollars outstanding; other loans to brokers and dealers by New York City banks rose by 90 million dollars from the end of March to May 19.

INDUSTRIAL PRODUCTION



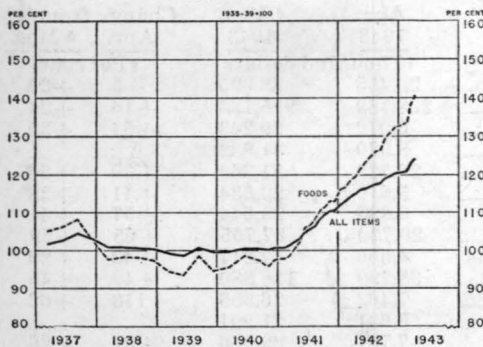
Federal Reserve index. Monthly figures, latest shown is for April, 1943.

DEPARTMENT STORE SALES AND STOCKS



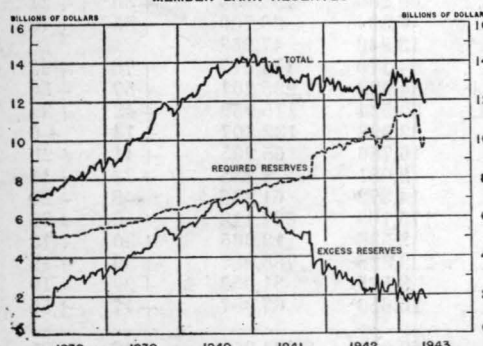
Federal Reserve indexes. Monthly figures, latest shown are for April, 1943.

COST OF LIVING



Bureau of Labor Statistics' indexes. Last month in each calendar quarter through September, 1940; monthly thereafter. Mid-month figures, latest shown are estimates by Federal Reserve for April.

MEMBER BANK RESERVES



Breakdown between required and excess reserves partly estimated. Wednesday figures, latest shown are for May 12, 1943.