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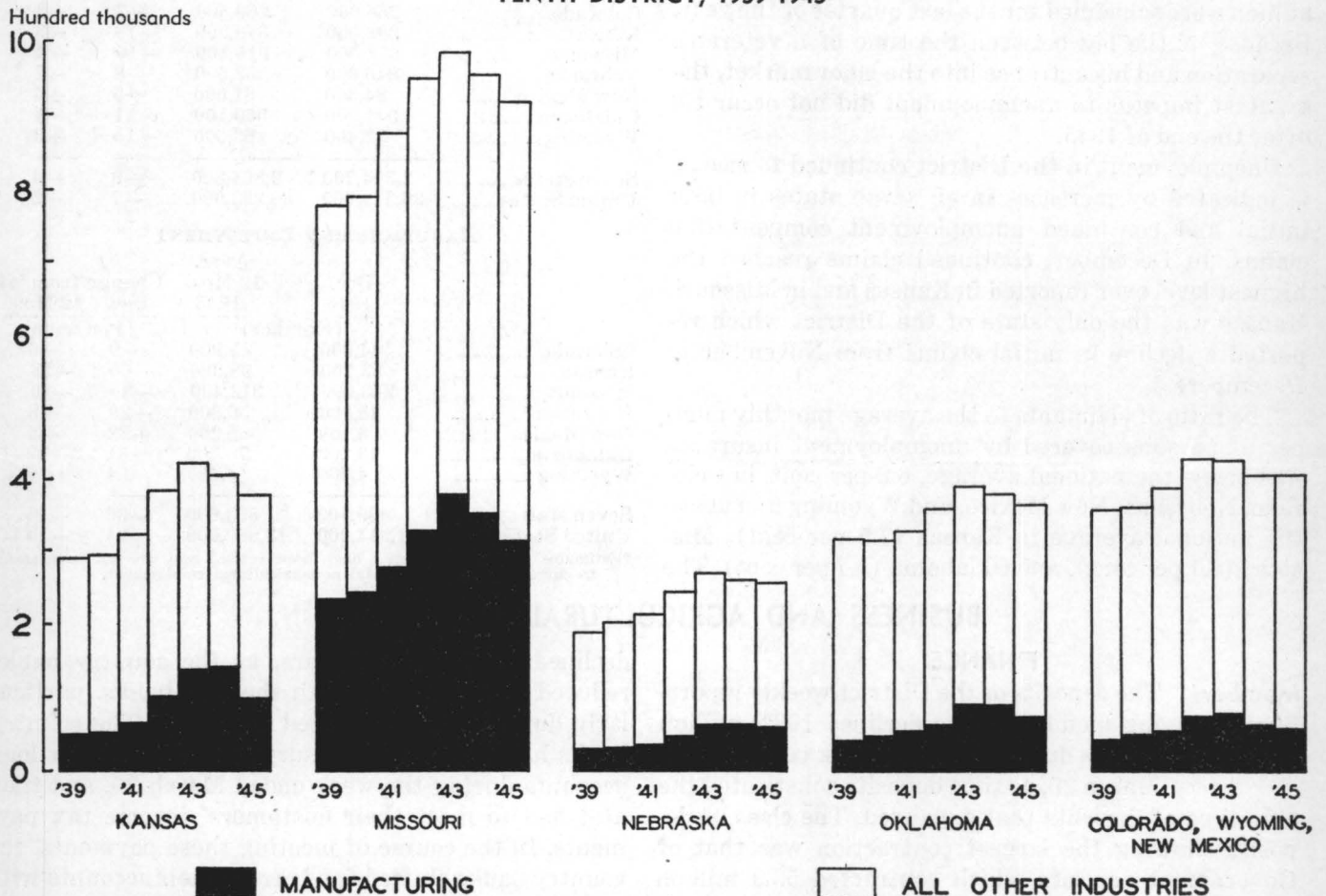
INDUSTRIAL EMPLOYMENT

The cessation of hostilities in 1945 brought to a close a period during which employment, stimulated by a war economy, attained unprecedented levels. The average number of employees in nonagricultural establishments in the United States in 1945 was only 7 per cent below that of 1943, the year of highest employment, and was 19 per cent above the boom year of 1929. Manufacturing employment in 1945, although reduced sharply by the cancellation of war contracts and affected adversely by strikes, was 18 per cent

lower than in the highest employment period but 32 per cent higher than in 1929.

The accompanying chart shows the trend of employment in the Tenth District states from 1939 through 1945, and the influence of the war upon this region is apparent. The trends in the five areas are almost uniform. There was an increase each year from 1939 to 1943, followed by a decline through 1944 and 1945, except in Kansas where manufacturing employment reached its maximum in 1944. Among the states of

EMPLOYEES IN NONAGRICULTURAL ESTABLISHMENTS
TENTH DISTRICT, 1939-1945¹



¹Averages of midmonth estimates for states which lie wholly or partially within Tenth District. Nebraska figures for manufacturing employment revised beginning January, 1943.
SOURCE: Bureau of Labor Statistics.

the District, Kansas and Missouri showed the greatest increases both in nonagricultural employment and in factory employment. Likewise, the drop in employment in 1944 and 1945 was greatest in these states. These two states were affected to the greatest extent because a large part of the war industries of the region and large military establishments were located there. Employment was most stable in the least industrialized states, New Mexico and Wyoming. In Wyoming there was a small but steady upward movement in nonagricultural employment which reached its highest level in 1945.

The mass unemployment which was widely predicted for late in the year did not materialize. Despite large-scale layoffs in war industries and rapid demobilization of the armed forces, unemployment in the country as a whole was only about two million in December. This was 40 per cent higher than in December, 1942, the month in which nonagricultural employment reached its wartime peak.

Veterans constituted the principal source of growth in unemployment. Of the approximately six million separations from the armed forces in 1945, nearly five million were scheduled for the last quarter of the year. Because of the lag between the time of a veteran's separation and his entrance into the labor market, the greatest impetus to unemployment did not occur till after the end of 1945.

Unemployment in the District continued to rise as is indicated by increases in all seven states in both initial and continued unemployment compensation claims. In December, continued claims reached the highest level ever reported in Kansas and in Missouri. Kansas was the only state of the District which reported a decline in initial claims from November to December.

The ratio of claimants to the average monthly number of persons covered by unemployment insurance was below the national average, 6.2 per cent, in Colorado, Nebraska, New Mexico, and Wyoming and above the national average in Kansas (7.5 per cent), Missouri (8.1 per cent), and Oklahoma (9.7 per cent). The

increased percentages in Kansas, Missouri, and Oklahoma were the result of the filing of interstate claims by workers who returned to their homes after earning wage credits in other states. The ratio of 0.6 per cent in Wyoming was the lowest in the nation.

By the end of the year, veterans constituted nearly 10 per cent of all manufacturing employees in the United States, as more than 40 per cent of all persons hired by manufacturing industries during December were veterans, and large numbers of women retired, at least temporarily, from the labor force. Among the returning veterans there were some difficulties in adjustment, as is indicated by the rate of turnover among them. In December, 57 out of every 1,000 veterans of World War II quit their jobs, while the rate for nonveterans was 37 out of every 1,000. Involuntary separations, however, were only half as large for veterans as for nonveterans.

Department of Labor estimates of employment:

TOTAL NONAGRICULTURAL EMPLOYMENT

	Dec.	Aver.	Change from '44	
	1945	12 Mos. 1945	Dec.	12 Mos.
	(Number)		(Per cent)	
Colorado.....	266,000	260,500	-2	-2
Kansas.....	333,000	370,900	-18	-9
Missouri.....	872,000	915,100	-10	-4
Nebraska.....	246,000	253,600	-8	-2
New Mexico.....	84,300	81,300	+5	+4
Oklahoma.....	341,000	360,100	-11	-4
Wyoming.....	72,400	63,300	+15	+3
Seven states.....	2,214,700	2,304,800	-9	-4
United States.....	36,319,000	36,983,000	-7	-5

MANUFACTURING EMPLOYMENT

	Dec.	Aver.	Change from '44	
	1945	12 Mos. 1945	Dec.	12 Mos.
	(Number)		(Per cent)	
Colorado.....	44,000	45,900	-9	-6
Kansas.....	53,700	98,900	-60	-28
Missouri.....	243,000	312,400	-30	-10
Nebraska*.....	45,100	56,800	-29	-8
New Mexico.....	6,100	5,200	+22	+4
Oklahoma.....	43,200	70,000	-51	-19
Wyoming.....	4,600	4,400	-4	0
Seven states.....	439,700	593,600	-36	-14
United States.....	11,914,000	13,900,000	-24	-14

*Estimates for manufacturing have been revised and are not comparable to current estimates for total nonagricultural employment.

BUSINESS AND AGRICULTURAL CONDITIONS

FINANCE

Member Bank Credit The deposits of the District weekly reporting member banks declined 108.2 million dollars during the four-week period ended March 20, as time deposits constituted the only type of deposits that expanded. The class of deposits showing the largest contraction was that of Government deposits which contracted 53.9 million dollars, chiefly as a result of Treasury withdrawals from war loan accounts. Deposits "due to" other banks

declined 49.0 million dollars, as the country banks reduced their deposits with the city banks, particularly during the week ended March 20. The country banks had to meet a Treasury call on their war loan accounts during the week ended March 20, and they also had to meet their customers' income tax payments. In the course of meeting these payments, the country banks shifted funds from their accounts with the city banks. The private demand deposits of the reporting banks declined moderately, by 9.9 million

dollars, chiefly because of income tax payments by their depositors.

The decline in deposits was reflected in declines of 45.1 million dollars in loans and investments, 12.1 million in reserves with the Federal Reserve Bank, and 29.6 million in balances "due from" other banks, and an increase of 16.2 million in borrowing by the reporting banks.

Total investments of the District weekly reporting banks showed a net decline of 39.3 million dollars as Government security holdings contracted 42.9 million and other securities expanded by 3.6 million. A decrease of 27.6 million dollars in Treasury bills resulted largely from the action of several of the larger city banks. Treasury note holdings decreased 25.4 million dollars, as the Treasury redeemed for cash the Series A-1946 notes which matured on March 15. The certificates of indebtedness held by the reporting banks increased 1.3 million dollars despite the cash redemption by the Treasury of about one fourth of the Series B-1946 certificates which matured March 1. The decline which occurred during the week of March 1 was more than offset by subsequent bank purchases. The Treasury cash redemptions of the Treasury bonds of 1946-56 on March 15 had little effect on the bank holdings of Treasury bonds, as only a minor proportion of

the issue was held by banks. Treasury bond holdings of the reporting banks expanded 9.0 million dollars in the period under review.

Loans of the District weekly reporting banks declined 5.8 million dollars between February 20 and March 20. "Commercial, industrial, and agricultural" loans declined 8.9 million dollars, with the liquidation of Commodity Credit Corporation loans on wheat a significant factor in the decline. The Commodity Credit Corporation wheat loans, which were to mature on April 30, were called as of March 1 in twenty-two states, including all the states of the Tenth District, in order to increase the supply of wheat on the market available for domestic millers and for export. To some extent, the decline in the banks' Commodity Credit wheat loans was offset by new wheat loans, however, as some owners of wheat obtained funds to pay the Commodity Credit loans by borrowing directly from the banks instead of selling the wheat. Loans on both Government securities and other securities to brokers and dealers and to other borrowers expanded moderately. It is noteworthy that loans on Government securities increased in the third month following the Victory Loan Drive, when loans on Governments were still about 74 per cent of their peak figure at the close of the Victory Drive.

Principal items of condition of 50 member banks:

	BANK DEBITS			
	Feb. 1946	2 Mos. 1946	Change from '45	
	(Thousand dollars)		(Per cent)	
Colo. Springs, Colo.....	27,861	56,960	+42	+32
Denver, Colo.....	315,889	669,073	+16	+18
Gr. Junction, Colo.....	8,729	18,547	+40	+34
Greeley, Colo.....	11,919	26,123	+19	+24
Pueblo, Colo.....	21,630	47,925	+23	+22
Atchison, Kans.....	6,339	20,073	+8	+58
Emporia, Kans.....	8,118	16,211	+39	+26
Hutchinson, Kans.....	32,743	75,774	+41	+37
Independence, Kans...	5,252	10,807	+26	+17
Kansas City, Kans.....	38,549	87,817	-1	+10
Lawrence, Kans.....	6,983	14,837	-2	-3
Parsons, Kans.....	5,160	11,083	0	-5
Pittsburg, Kans.....	8,366	16,823	+32	+29
Salina, Kans.....	24,865	54,495	+43	+41
Topeka, Kans.....	59,389	124,047	+13	+8
Wichita, Kans.....	140,561	337,521	-26	-20
Joplin, Mo.....	21,326	44,844	+47	+41
Kansas City, Mo.....	633,982	1,362,142	+8	+5
St. Joseph, Mo.....	60,691	128,450	+19	+10
Fremont, Nebr.....	7,472	15,478	+17	+13
Grand Island, Nebr...	15,805	30,538	+17	+6
Lincoln, Nebr.....	50,934	111,170	+22	+25
Omaha, Nebr.....	350,970	710,780	+16	+11
Albuquerque, N. Mex..	45,048	102,593	+47	+45
Bartlesville, Okla.....	43,186	91,159	+6	+5
Enid, Okla.....	19,347	45,544	-9	-7
Guthrie, Okla.....	2,853	6,858	+14	+20
Muskogee, Okla.....	14,996	33,672	+7	+8
Okla. City, Okla.....	180,147	400,893	+8	+7
Okmulgee, Okla.....	5,041	10,548	+38	+30
Tulsa, Okla.....	234,426	489,467	-10	-10
Casper, Wyo.....	11,480	26,027	+17	+18
Cheyenne, Wyo.....	16,801	43,711	-1	+11
District, 33 cities.....	2,436,858	5,241,990	+8	+7
U. S., 334 cities.....	73,970,000	163,101,000	+5	+7

	Change from		
	Mar. 20 1946	Feb. 20 1946	Mar. 21 1945
	(In thousands of dollars)		
Loans and investments—total.....	2,466,307	-45,088	+487,011
Loans—total.....	423,156	-5,791	+74,644
Coml., indust., agric.....	239,847	-8,942	+17,747
To security brokers and dealers.....	6,882	+535	+2,651
Other to purchase or carry secur.....	60,497	+1,073	+34,154
Real estate loans.....	42,384	+761	+5,389
Loans to banks.....	678	-75	+137
All other loans.....	72,868	+857	+14,566
Investments—total.....	2,043,151	-39,297	+412,367
U. S. Govt. securities—total.....	1,891,025	-42,856	+389,851
Bills.....	65,663	-27,607	-9,201
Certificates of indebtedness.....	575,765	+1,349	+187,090
Notes.....	352,802	-25,421	+40,655
Bonds.....	896,528	+9,014	+196,978
Guaranteed obligations.....	267	-191	-25,671
Other securities.....	152,126	+3,559	+22,516
Reserves with F. R. Bank.....	430,384	-12,105	+46,692
Balances "due from" banks—net.....	260,835	-29,630	-20,462
Demand deposits—adjusted.....	1,398,288	-9,936	+132,023
Time deposits.....	300,313	+4,674	+59,482
U. S. Govt. deposits.....	452,852	-53,946	+213,571
Deposits "due to" banks—net.....	861,476	-48,978	+64,012
Borrowings.....	27,200	+16,200	+27,200

Member Bank Reserves The semi-monthly average volume of reserves of the District Reserve city banks reached its maximum in the latter half of November, 1945, while the volume of District country banks' reserves continued to expand through the first half of March, 1946, the latest period for which data are available at this writing. The periods of peak volume for required reserves coincide

with those for total reserves, namely, the latter half of November for the city banks and the first half of March for the country banks.

The net result of the changes in total reserves and required reserves has been a decline during 1946 in the volume of excess reserves held by the District member banks. Currently, the ratios of excess reserves to required reserves of both the District Reserve city and the District country banks are lower than they have ever been. The District country bank ratio of excess reserves to required reserves, however, is about four times as large as the comparable ratio of the District Reserve city banks.

Daily average member bank reserves:

	Held	Required	Excess	Ratio Excess to Required
	(In millions of dollars)			(Per cent)
Reserve city banks				
Feb. 16-28, 1946.....	488	452	36	8
Feb. 1-15, 1946.....	482	448	34	8
Jan. 16-31, 1946.....	484	455	29	7
Feb. 16-28, 1945.....	419	389	29	8
Country banks				
Feb. 16-28, 1946.....	285	225	60	27
Feb. 1-15, 1946.....	283	223	60	27
Jan. 16-31, 1946.....	286	222	65	29
Feb. 16-28, 1945.....	227	173	53	31

DEPARTMENT STORE TRADE

Department store inventories increased less than is usual during February, but month-end stocks still were about 6 per cent larger in value than those of a year earlier. Outstanding orders showed a further increase during February to a new record level. On February 28, the volume of merchandise on order was 29 per cent greater than a year ago, about two and one fifth times actual stocks on hand and in warehouses, and nearly four times average monthly sales in 1945. Normally, orders are only about one third as large as inventories and are equivalent to appreciably less than one month's sales.

Department store sales and stocks in leading cities:

No. of Stores	SALES		STOCKS	
	Feb. 46 comp. to Feb. 45	2 Mos. '46 comp. to 2 Mos. '45	Feb. 28, '46 comp. to Feb. 28, '45	
(Per cent increase or decrease)				
Denver.....	7	+24	+21	+8
Hutchinson.....	3	+15	+12	+1
Topeka.....	3	+16	+9	*
Wichita.....	4	+14	+10	+13
Joplin.....	3	+39	+30	-2
Kansas City.....	8	+21	+17	+12
St. Joseph.....	3	+30	+24	*
Omaha.....	4	+33	+26	*
Oklahoma City.....	6	+20	+13	-1
Tulsa.....	4	+20	+11	+11
Other cities.....	31	+28	+21	+7
District.....	76	+23	+17	+6

*Not shown separately but included in District total.

Dollar volume of department store sales in this District in February showed an extraordinary increase of 23 per cent over a year ago. In the first three weeks

of March, sales were about 11 per cent larger than in the corresponding period last year. The smaller gain for March probably was due in part to the later Easter date in 1946 than in 1945, because of which pre-Easter buying that occurred in March in 1945 will be postponed until April in 1946. A very large part of the current gains in sales over last year reflects increased supplies of housewares and housefurnishings available for sale. Sales increased much more than is usual from January to February, and the seasonally adjusted index of daily average sales rose from 269 per cent of the 1935-39 average in January to 302 per cent in February, a new record high.

INDUSTRIAL PRODUCTION

Meat Packing Hog slaughter in February, as indicated by packers' purchases at leading District markets, was 70 per cent above the low level prevailing a year earlier and sheep slaughter in February was up 32 per cent from last year. However, cattle slaughter was down 16 per cent and calf slaughter 25 per cent, despite increased marketings of cattle and calves. Moreover, available data for March indicate a further sharp shrinkage in cattle slaughter.

The sharp contraction in cattle slaughter in March has been attributed in part to difficulties of packers in buying only animals which meet the specifications for the new beef subsidy without which the legitimate packer cannot operate. In part, it is attributed to increased diversion of cattle at above ceiling prices to the black market. As a consequence, many legitimate packers in this District have ceased processing beef altogether or have reduced their beef operations to only a fraction of normal. Black market operations, which received a tremendous impetus during the strike of packing-house workers at large plants last January, are reported to be flourishing.

The new beef subsidy regulations allow for very little margin of error in cattle purchases, so that if a packer should buy an animal as "choice" and after slaughter the beef should grade lower than "choice," the packer has paid above ceiling prices for the live animal and is subject to penalties ranging up to the withholding of the entire subsidy if the cost exceeds the maximum by more than 2 per cent. In addition to the new beef subsidy, a price increase also was authorized for packers, effective April 1, to offset the wage increase of 16 cents an hour granted to packing-house workers. Late in March, the OPA restored wartime controls over custom slaughtering of livestock, because it is in this field that black market operations are most prominent.

United States cold storage stocks of beef declined contraseasonally during February, and stocks of pork

and lard increased much less than is usual during that month. Beef stocks on March 1, which totaled 169 million pounds as compared with 133 million a year ago, were the second largest for that date since 1920. Pork holdings, at 428 million pounds as compared with 366 million last year, showed the first increase over a year earlier since August, 1944, but were otherwise the smallest on record for the March 1 date. Lard stocks, at 91 million pounds this year as compared with 65 million last year, also showed an appreciable increase over a year ago.

Flour Milling Southwestern flour milling operations dropped from a record level of 111 per cent of normal capacity in the third week of February to 66 per cent in the first week of March when plants were closed part of the week for the change-over to the new 80 per cent wheat extraction rate. Operations subsequently increased, but the current level of mill activity, only around 90 per cent of capacity, is still far below the late February peak of 111 per cent, chiefly because of a growing lack of wheat.

Demand for flour, especially for export, continues almost insatiable. The current volume of flour sales, however, is extremely light. Late in March, unfilled orders on mills' books still averaged about 50 days' production, with wheat stocks limited by War Food Order 144, effective since February 18, to 45 days' production and indications that the wheat inventory limit would soon be further reduced to 30 days' production. The "oversold" position of mills resulting from the action of WFO 144 in cancelling wheat purchase contracts in excess of a 45-day inventory limit, although much less serious in March than in February, nevertheless was still forcing mills to turn away new flour business in an effort to bring their unfilled orders into balance with wheat stocks on hand. Moreover, mills were experiencing some difficulty in March in securing supply certificates allowing them to replenish wheat stocks within the prescribed inventory limit, and even then they were faced with the difficulty of finding the wheat. In addition, the milling subsidy rate for March was reported to be inadequate, following the 3-cent advance in wheat prices, with mills increasingly being squeezed between wheat prices and flour ceilings. However, the April subsidy rate, announced at the end of March, was unchanged for hard wheat ground into flour in this area.

Petroleum Price control of crude petroleum has become an increasingly controversial issue, stimulated rather than allayed by a ceiling increase of 10 cents per barrel. This advance, effective March 29, was the first break in crude oil price ceilings since the

beginning of the war. In its report to the Office of Price Administration, the Industry Producing Advisory Committee recommended a 35-cent increase because of higher replacement costs which in 1944 are claimed to have exceeded gross income per barrel by 35 cents.

The American Petroleum Institute is officially taking part in the controversy for the first time, and the combined forces of the industry are working for complete removal of oil from price control. A further study is to be made by the Office of Price Administration to determine the necessity of additional price increases.

Increases in ceiling prices of industrial and Navy grades of residual fuel oils and of asphalt became effective March 18. The new ceilings are 15 cents per barrel higher in the Pacific area and 21 cents higher in all other areas of the country. The price of tractor fuels was increased $\frac{1}{2}$ cent per gallon, and the temporary increases in kerosene and distillate fuel oils which were granted earlier were made permanent and uniform throughout the country.

In February, the daily average rate of crude oil production in the United States was 4,702,000 barrels, somewhat above that in January but practically the same as in February, 1945. Total output for the month was 1 per cent lower than a year ago and for the first two months of the year was 2 per cent lower than in the corresponding period in 1945.

The daily average production of oil in the Tenth District in February was 865,000 barrels, 1 per cent above January, 1946, and 3 per cent above February, 1945. Colorado, Oklahoma, and Wyoming increased their total output in February from the same month the year before, resulting in a 3 per cent rise for the District. Colorado again showed a rise of over 150 per cent as a result of increased activity, especially in the Rangely Field. The decline of 22 per cent in Nebraska had little effect upon total District output because of the small quantity supplied.

The supply of fuel oils had improved by the last of February, as yield and production increased at East and Gulf Coast refineries, and stocks rose in the East. The first significant drop in the nation's gasoline stocks occurred in the latter part of February as refineries curtailed production because of weakening prices of motor fuel throughout the country. Stocks of crude oil and of gasoline were higher in comparison with those a year ago, whereas fuel oil inventories were smaller and refinery runs were practically the same.

In the last quarter of 1945, exports of oil to non-contiguous territories amounted to 33.1 million barrels, about 400,000 barrels more than were imported.

Crude oil and motor fuel constituted the principal exports, and crude oil and fuel oils accounted for 98 per cent of the imports.

Data for gross crude oil production as reported by the Bureau of Mines and the American Petroleum Institute follow:

	Feb.	2 Mos.	Change from '45	
	1946	1946	Feb.	2 Mos.
	(Thousand barrels)		(Per cent)	
Colorado.....	661	1,449	+155	+168
Kansas.....	7,015	14,599	-5	-7
Nebraska.....	22	45	-22	-15
New Mexico.....	2,756	5,805	-6	-6
Oklahoma.....	10,902	23,032	+7	+8
Wyoming.....	2,857	5,885	+3	+3
Six states.....	24,213	50,815	+3	+2
United States.....	131,648	274,109	-1	-2

AGRICULTURE

Crops The inadequacy of current supplies of bread grains to meet heavy domestic demand plus the export commitments of Government authorities, which has been evident since the turn of the year, became steadily worse during the month of March. It is becoming evident that the world faces famine conditions without parallel in the memory of living men, while at the same time food consumption in this country is greater than ever before. Former President Hoover has stated that half a billion persons are threatened with actual famine. Shipping facilities are probably inadequate to prevent widespread suffering even if abundant grain were available in exporting countries. At the same time world stocks of wheat in exporting countries are reported as 25 per cent less than a year ago and the lowest since 1940. In 1945 the crops were large in the United States and Canada but much below average in Australia and Argentina because of drought, and in Europe and North Africa because of both drought and disturbed social conditions affecting production.

All the past winter the flow of grain to market in this country was much below what was anticipated in the fall, partly because of car shortages. Recently marketings have been affected adversely by spring planting operations, and by the bad condition of roads in northern territory where frost has been going out of the ground. The relationship between feed prices and livestock prices in recent years has made it profitable to feed livestock at a heavy rate. These livestock-feed ratios were established during the war when a large livestock output was especially needed. The favorable ratio of feed and livestock prices and the fact that much of the corn produced last fall would not keep in storage resulted in a rapid disappearance of grain during the fall and winter months, much of which would have served more vital needs if it had remained in the market for breadstuffs. Apparently

also some supplies are being held from the market because farmers anticipate further increases in the price of grains. Early in March the ceilings on principal cereal grains were raised by amounts varying from 2 to 4 cents a bushel, but there are indications that these small increases have confirmed expectations of more substantial increases and hence had little tendency to increase the volume of marketings.

New control measures have been introduced in rapid succession. Early in March regulations were issued requiring processors and dealers to offer to Commodity Credit Corporation their "excess" stocks of wheat and corn above the amounts required to meet approved types of demand and permissible inventories. This puts all grain that has left farmers' hands under direct or permissive control of the Government, but the amount thus made available for export has been disappointingly small. On March 26 the Chicago Board of Trade ordered all May wheat futures contracts set-

	RAINFALL			
	Feb. 1946		2 Mos. 1946	
	Total	Normal	Total	Normal
	(In inches)			
COLORADO				
Denver.....	0.16	0.53	0.61	0.93
Leadville.....	0.38	1.47	1.45	2.65
Pueblo.....	0.12	0.47	0.44	0.78
Lamar.....	0.72	0.52	0.97	0.83
Alamosa.....	0.01	0.15	0.04	0.43
Steamboat Springs....	1.81	2.47	3.21	4.76
KANSAS				
Topeka.....	0.52	1.30	2.50	2.21
Iola.....	1.61	1.55	4.06	3.00
Concordia.....	0.09	0.89	0.67	1.38
Salina.....	0.40	1.08	1.04	1.70
Wichita.....	1.23	1.24	3.44	1.95
Hays.....	0.29	0.77	0.64	1.11
Goodland.....	0.05	0.56	0.17	0.82
Dodge City.....	0.89	0.78	1.66	1.15
Elkhart.....	1.28	0.75	1.34	1.05
MISSOURI				
St. Joseph.....	0.28	1.67	2.63	2.95
Kansas City.....	0.94	1.49	4.34	2.73
Joplin.....	3.11	1.68	6.17	3.84
NEBRASKA				
Omaha.....	0.19	0.89	0.78	1.59
Lincoln.....	0.14	0.95	1.07	1.59
Norfolk.....	0.25	0.87	0.35	1.48
Grand Island.....	0.11	0.85	0.42	1.41
McCook.....	0.04	0.67	0.19	1.08
North Platte.....	0.07	0.53	0.14	0.92
Bridgeport.....	0.30	0.35	0.51	0.74
Valentine.....	0.25	0.55	0.28	1.03
NEW MEXICO				
Clayton.....	0.09	0.40	0.09	0.65
Santa Fe.....	0.68	0.80	1.12	1.42
Farmington.....	0.17	0.71	0.24	1.25
OKLAHOMA				
Tulsa.....	2.09	1.49	5.52	3.17
McAlester.....	4.50	2.27	7.99	4.88
Oklahoma City.....	1.92	1.11	5.23	2.30
Pauls Valley.....	1.86	1.62	5.98	3.08
Hobart.....	1.04	1.00	2.25	1.86
Enid.....	2.26	1.15	3.66	2.25
Woodward.....	2.25	1.05	2.86	1.80
WYOMING				
Cheyenne.....	0.49	0.64	0.80	1.06
Casper.....	0.57	0.71	1.00	1.31
Lander.....	0.04	0.63	0.35	1.19
Sheridan.....	0.53	0.70	1.48	1.55

tled at ceiling price because the War Food Order referred to made it impossible to accumulate supplies for delivery on contracts. On the next day the same action was taken by the Kansas City Board of Trade.

President Truman has appealed to the country to reduce its consumption of wheat food by 40 per cent and fats and oils by 20 per cent, and a beginning of control at the farm has been made by prohibiting farmers to buy grain in order to feed hogs to above 225 pounds, to feed cattle to above Grade A, or to feed poultry in excess of 80 per cent of the number fed during the corresponding period of last year. So long, however, as the farmer at one end of the market chain is free to sell or to hold, and the consumer at the other end of the chain is free to cooperate or not, the amount of relief to be squeezed out by depleting the "pipelines" has obvious limits.

The one bright feature in the situation is the crop outlook. Wheat has made very satisfactory progress during the past two months, as a result of late winter rains and snows in the northwestern part of the winter wheat belt. The soil moisture situation is reported as satisfactory in Kansas and Nebraska, and the same is true in Oklahoma except in the Panhandle area and in scattered spots in the west central area. The weather has been unseasonably warm, with the result that winter crops and spring pastures are two to three weeks ahead of normal. According to present forecasts the wheat acreage will be the largest since 1938, and a crop of over a billion bushels is expected. This compares with the record crop of 1,123 million bushels harvested in 1945.

Livestock The production of shorn wool in this District in 1945 was 6 per cent smaller than that in 1944, following an earlier decrease of 16 per cent from 1943 to 1944. All of the decrease in the 1945 wool clip was due to a further reduction in the number of sheep shorn, as fleece weights in 1945 averaged somewhat higher than in 1944 and generally were unusually heavy. Sheep numbers have been declining now for four or five years, and the number of

stock sheep in the principal sheep-raising states of Wyoming, Colorado, and New Mexico has dropped to the lowest level in twenty years or more. Cash income from wool in 1945 decreased proportionally to production, as local market prices averaged about the same in 1945 as in 1944, when prices had reached their highest point since 1920. A continued decline in wool production in 1946 is indicated by the fact that sheep numbers in this District at the beginning of this year were 9 per cent lower than at the beginning of 1945.

The critical shortage of both feed grains and commercial feedstuffs is evident in recent trends toward lighter marketing weights of cattle and hogs. The shortage of feed is especially acute so far as livestock producers in deficit feed areas are concerned, as smaller quantities of grain than last year are available for shipment from surplus-producing areas. Moreover, intensive competition for available market supplies has led to development of unusual trading practices, including barter, which in turn have contributed to the tight situation by causing uneven distribution. Supplies of by-product feeds are substantially reduced from last year. This is particularly true of wheat mill-feeds, the output of which since March 1 has been reduced by about one third by the higher extraction rate for wheat flour specified in War Food Order 144.

However, the heavy winter feeding season has passed its peak. Winter wheat pastures in many areas now afford excellent grazing. Grass pastures in most feeding areas, aided by generous rains in March and unseasonably warm weather, have developed unusually early and will become an increasingly important factor in the feed situation. By early March, a large proportion of the best pasture sections of Kansas and Oklahoma already was under lease for summer grazing, despite higher feeder cattle prices than those which prevailed a year ago and indications that, because of higher costs, profits in the 1946 grass cattle season will be less than those in recent wartime years. Although the gap between feed supplies and demand is still very wide, increased pasturing and liquidation of livestock and poultry currently are serving to lessen to some extent the demand for prepared feeds.

Present Government efforts to reduce livestock feeding, and especially the feeding of wheat to livestock, are based in part upon the thesis that, because of the urgent need to ship large quantities of food to combat serious malnutrition in liberated countries abroad, grain is better utilized by feeding it to the people than to livestock. This thesis is supported by the fact that grain will go much farther as cereal than as meat, because of the conversion loss involved in meat production.

SHORN WOOL PRODUCTION, PRICE, AND INCOME

(Estimated by Department of Agriculture)

	PRODUCTION		PRICE		INCOME	
	1945	1944	1945	1944	1945	1944
	(000 pounds)		(cents per lb.)		(000 dollars)	
Colo.....	13,372	13,259	40	41	5,349	5,436
Kans.....	5,131	5,148	37	37	1,898	1,905
Mo.....	8,619	9,596	43	43	3,706	4,126
Nebr.....	2,724	3,149	39	38	1,062	1,197
N. Mex.....	13,797	14,574	36	37	4,967	5,392
Okla.....	1,851	2,203	38	34	703	749
Wyo.....	25,631	27,591	39	40	9,996	11,036
7 states.....	71,125	75,520	39	40	27,681	29,841
U. S.....	321,017	347,094	42	42	134,621	147,206

NATIONAL SUMMARY OF BUSINESS CONDITIONS

By the Board of Governors of the Federal Reserve System

Production and employment at factories declined in February but advanced in the first three weeks of March, reflecting mainly the influence of the steel strike. The value of retail trade reached new record levels. Wholesale prices of a number of commodities increased.

INDUSTRIAL PRODUCTION

Output of durable goods declined considerably further in February, while production of nondurable goods and minerals continued to increase. Production of steel, automobiles, and machinery has advanced sharply since the settlement of wage disputes in these industries, and the Board's index of industrial production, which declined from 160 in January to 154 per cent of the 1935-39 average in February, will show a considerable rise in March.

Steel mill operations in February were at an average rate of 19 per cent of capacity as compared with 50 per cent in January. Output at steel mills has increased rapidly since the middle of February, and during the week ending March 23 is scheduled at 89 per cent of capacity—the highest rate since V-J day. In February production of nonferrous metals, machinery, and transportation equipment also declined, reflecting chiefly the direct or indirect effects of work stoppages. Lumber production, after advancing in January, showed little change in February. Plate glass production increased sharply to the highest level since November, 1941.

Production of most nondurable goods continued to advance in February, partly reflecting increases in working forces. Output at textile mills rose further and was at a rate slightly above the level of a year ago. Activity in the meat-packing industry increased sharply in February following settlement of the wage dispute at major plants and was 20 per cent higher than a year ago. Flour production likewise showed a substantial gain for the month. In March a Federal program was instituted to reduce domestic consumption of wheat in order to increase exports for relief purposes. Output of automobile tires in February rose to the highest rate on record.

Output of coal was maintained at exceptionally high levels in February and early March. Crude petroleum production showed a gain in February, but declined in March.

EMPLOYMENT

Employment continued to advance from the middle of January to the middle of February in most lines of activity except at manufacturing plants closed by industrial disputes. After February 15, with the settlement of the steel strike, there were large increases in employment in the durable goods industries and by the middle of March employment in private nonagricultural establishments is estimated to be about 2½ million larger than last September, after allowing for seasonal changes. Unemployment increased from January to February by about 400,000 to a level of 2,700,000 persons.

DISTRIBUTION

Department store sales in February, after allowance for seasonal changes, were the largest on record by a considerable margin, and in the first half of March sales continued to show marked increases over a year ago. Total retail trade in February was probably close to one fourth higher than in the same month last year.

Shipments of most classes of railroad freight increased from the middle of February to the middle of March and almost the same number of cars were being loaded in the first two weeks of March as during the same period last year, when shipments of war products were at peak levels.

COMMODITY PRICES

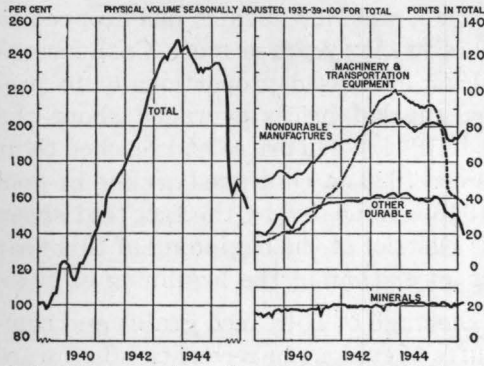
The general level of wholesale commodity prices advanced one per cent from the middle of February to the middle of March, reflecting increases in most groups of agricultural and industrial products. Since last September wholesale prices have advanced 3.3 per cent, according to the Bureau of Labor Statistics' index. Price control regulations permit manufacturers and distributors to pass on to consumers only part of the recent advances granted in maximum wholesale prices.

BANK CREDIT

Retirement of 2.8 billion dollars of United States Government obligations during March was reflected in a decline of about the same amount in Treasury balances during the four weeks ending March 20. Holdings of Government securities by both Federal Reserve banks and member banks declined, accompanying reductions in Treasury deposits at these banks. Deposits, other than those of the Treasury, at member banks showed little change. Member banks required and excess reserves also changed little during the period. Member banks increased their borrowings at the Reserve banks to over 700 million dollars on March 13, but reduced them somewhat in the following week.

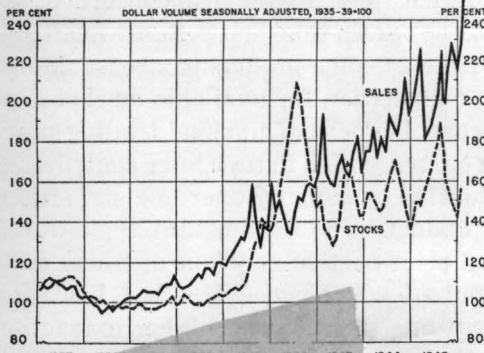
Commercial and industrial loans at member banks in leading cities continued to increase between the middle of February and the middle of March. Loans on Government securities to brokers and dealers fluctuated considerably in connection with the Treasury retirement and refunding operations, while those to others continued to show a slow decline.

INDUSTRIAL PRODUCTION



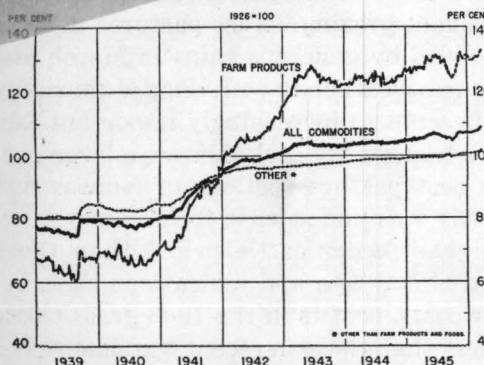
Federal Reserve indexes. Groups are expressed in terms of points in the total index. Monthly figures; latest shown are for February, 1946.

DEPARTMENT STORE SALES AND STOCKS



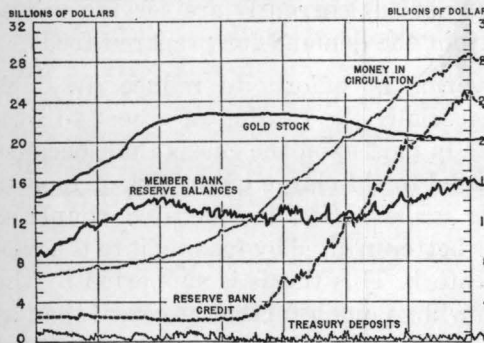
Federal Reserve indexes. Monthly figures; latest shown for sales is February, 1946; for stocks, January, 1946.

WHOLESALE PRICES



Bureau of Labor Statistics' indexes. Weekly figures; latest shown are for week ending March 16, 1946.

MEMBER BANK RESERVES AND RELATED ITEMS



Wednesday figures; latest shown are for March 20, 1946.