

# MONTHLY REVIEW

## *Agricultural and Business Conditions*

TENTH FEDERAL RESERVE DISTRICT

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FEDERAL RESERVE BANK OF KANSAS CITY

MAY 31, 1946

### DEMAND DEPOSIT OWNERSHIP SURVEY IN TENTH DISTRICT

As a part of the most recent of several nation-wide surveys conducted by the Federal Reserve System to determine the ownership of the demand deposits of individuals, partnerships, and corporations, estimates have been made of the ownership of such deposits in all Tenth District banks as of January 31, 1946. The District survey covered 339 banks which submitted classifications of demand deposits of individuals and businesses according to types of holders.

On the basis of this summary, total deposits of individuals and businesses in all commercial banks in the Tenth District on January 31 have been estimated at 4,077 million dollars, an increase of 352 million since July 31, 1945. For the United States, such deposits have been estimated at 74.1 billion dollars, an increase of 4.5 billion from six months earlier.

During the six-month period from July 31, 1945, to January 31, 1946, the major proportion of the expansion in the demand deposits of individuals and businesses in the Tenth District was in personal deposits, including the deposits of farmers. The second largest dollar increase was in the deposits of wholesale and retail trade establishments. The deposits of manufacturing and mining establishments and of public utilities declined, while all other classes of deposits covered in the survey showed increases. In general, this pattern of changes in the ownership of demand deposits of individuals and businesses was in line with the pattern for the country as a whole for the same period.

Personal deposits in the District expanded by 270 million dollars, as the deposits of farmers increased by 115 million and other personal deposits increased by 155 million during the six-month period. The rates of expansion in farmers' deposits and in other personal deposits were approximately equal, slightly over 13 per cent. The growth in farmers' deposits was a result of the continuing high level of farm income and restricted opportunities to make expenditures. Farmers' income expanded, as farm prices continued at a high level and as large crops were produced and marketed. At the same time, farm machinery and equipment and consumer durable goods had not yet

become available in significant quantities. Moreover, the increase in farmers' deposits in the period under review may also have been partly seasonal.

The deposits of individuals other than farmers continued to grow. In spite of some decline in pay rolls, the income of wage earners was at a very high level. Although consumer expenditures were at an unprecedentedly high dollar volume, consumers found their opportunities for expenditure somewhat restricted by lack of durable goods, and funds probably were accumulated for future expenditure.

#### ESTIMATED OWNERSHIP OF DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS IN ALL COMMERCIAL BANKS IN THE TENTH FEDERAL RESERVE DISTRICT

	DOLLAR CHANGE		PERCENTAGE CHANGE	
	July 1945 to Jan. 1946	Jan. 1945 to Jan. 1946	July 1945 to Jan. 1946	Jan. 1945 to Jan. 1946
	(Millions of dollars)			
Mfg. and mining.....	-79	-13	-16.4	-3.2
Trade.....	+99	+174	+17.0	+34.2
Other nonfinancial....	+26	+44	+8.4	+15.2
Financial.....	+16	+25	+7.1	+11.6
Personal—farmers....	+115	+245	+13.2	+33.1
Personal—others.....	+155	+276	+13.1	+25.9
Nonprofit.....	+19	+20	+27.0	+25.3
Total*.....	+352	+770	+9.4	+23.3

\*Figures are rounded and consequently will not necessarily add to totals.

The demand deposits of wholesale and retail trade establishments expanded by 99 million dollars, an increase of 17.0 per cent. This was a continuation of the expansion that had taken place throughout the war period. These establishments presumably are holders of cash that is considered essential to the restoration of their physical inventories when goods become available in larger volume. However, both individuals and small trade firms have shown less inclination to invest excess funds in Government securities than have the larger industrial companies.

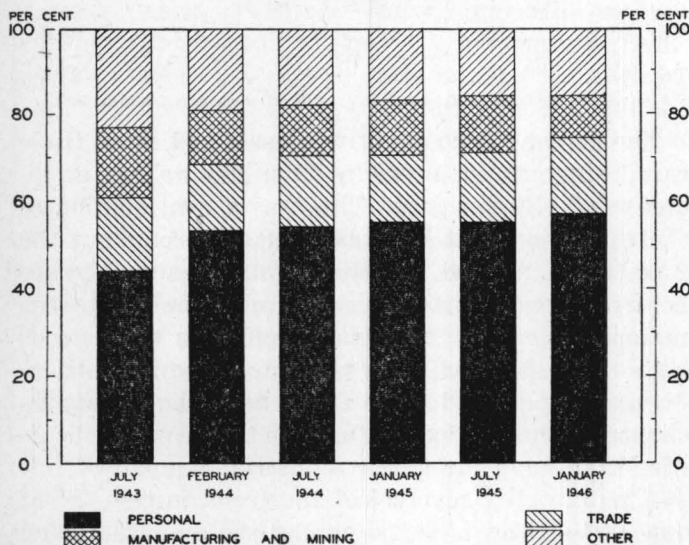
A noteworthy reversal of the trend in the size of deposit balances is found among the manufacturing and mining companies, whose demand deposits in the Tenth District decreased 79 million dollars, or 16.4 per cent, below the level of six months earlier. Manufacturing firms used funds previously accumulated for reconversion expenditures and for the accumula-

tion of stocks of raw materials. Tax payments also were an important factor during the period.

The largest relative increase in demand deposits since the survey six months earlier was in the non-profit classification in which the increase was 27.0 per cent. The dollar amount involved was not very large, however, being only 19 million dollars. Insurance companies' deposits increased 7.7 per cent; deposits of trust funds of banks decreased 4.6 per cent; and public utilities firms' deposits decreased 0.8 per cent. The dollar volume involved was relatively small in all of these groups.

Compared with a year earlier, January 31, 1945, the demand deposits of individuals and businesses increased by 770 million dollars, or 23.3 per cent. Here, also, the major part of the increase was accounted for by personal deposits, as farmers' deposits increased by 245 million dollars and other personal deposits increased by 276 million dollars, increases of 33.1 per cent and 25.9 per cent, respectively. The next largest dollar increase and the largest relative increase of any major group was in the deposits of wholesale and retail trade establishments with an increase of 174 million dollars. Even compared with a year ago, manufacturing and mining companies' demand deposits in the Tenth District were down somewhat on January 31 of this year, showing a decrease of 13 million dollars, or 3.2 per cent, for the year. All other classes of deposits covered by the survey showed increases.

PERCENTAGE DISTRIBUTION OF OWNERSHIP OF DEMAND DEPOSITS, 1943-46  
Tenth Federal Reserve District



During the course of the war, there were certain observable changes in the pattern of demand deposit ownership. Covering the period from July 31, 1943, to January 31, 1946, the period for which it is be-

lieved that adequate District surveys of demand deposits are available, the most striking trend has been the increase, both relative and absolute, in the dollar volume of personal deposits. Such deposits on January 31, 1946, were 57 per cent of the demand deposits of individuals, partnerships, and corporations, compared with 44 per cent on July 31, 1943, and 54 per cent on July 31, 1944. The large proportion of deposits in the District banks that are held by individuals is accounted for to a considerable extent by the importance of agricultural income in the District and by the lack of heavy industrial concentration within the area.

ESTIMATED OWNERSHIP OF DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS ON SELECTED DATES, 1943-46

	Tenth Federal Reserve District (In millions of dollars)					
	July 31 1943	Feb. 29 1944	July 31 1944	Jan. 31 1945	July 31 1945	Jan. 31 1946
	Mfg. and mining.....	392	365	370	413	479
Trade.....	426	396	470	510	585	684
Other nonfinancial....	322	271	270	290	308	334
Financial.....	186	179	200	216	225	241
Personal.....	1,073	1,449	1,590	1,805	2,056	2,326
Nonprofit.....	63	68	60	73	74	92
Total*.....	2,461	2,728	2,960	3,307	3,726	4,077

\*Figures are rounded and consequently will not necessarily add to totals.

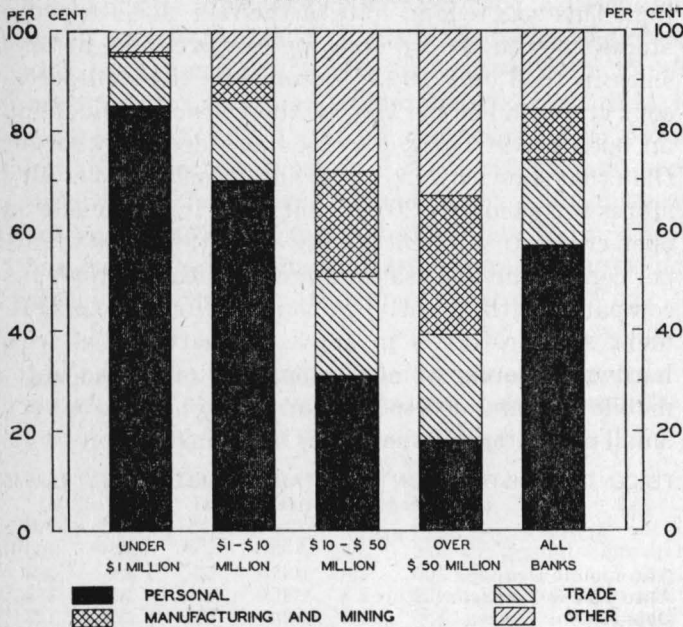
Manufacturing and mining deposits were 9.8 per cent of demand deposits in 1946 compared with 15.9 per cent in 1943. Although trade deposits have shown a substantial dollar increase since 1943, they were 16.8 per cent of demand deposits in January compared with 17.3 per cent in 1943. It should be noted that the 1946 trade deposits as a proportion of demand deposits were higher than for any of the intervening surveys, however.

There are great differences in the pattern of demand deposit ownership among District banks of different sizes. The proportion of deposits held by individuals varies inversely with the size of the banks. On January 31, 1946, District banks whose demand deposits of individuals, partnerships, and corporations were under 1 million dollars had 86 per cent of their deposits in personal accounts. Banks whose deposits ranged from 1 to 10 million dollars had 69 per cent of their deposits in that class, banks of the 10 to 15 million dollar deposit size group had 31 per cent of their deposits in personal accounts, while banks with deposits of 50 million dollars or over had 18 per cent of their deposits in such accounts.

The opposite pattern is found among the deposits of trade establishments. The proportion of such deposits held by wholesale and retail trade establishments in January varied from 9.7 per cent in the banks whose deposits were under 1 million dollars to



OWNERSHIP OF DEMAND DEPOSITS, JANUARY 31, 1946,  
BY DEPOSIT SIZE OF BANK  
Tenth Federal Reserve District



21.1 per cent in the banks whose deposits were over 50 million dollars. The same ownership distribution is very noticeable among the deposit accounts of manufacturing and mining establishments. On January 31, such accounts were only 0.5 per cent of the demand deposits of individuals and businesses in the

banks whose deposits were under 1 million dollars. For the 1 to 10 million dollar deposit size group, the proportion was 3.9 per cent; for the 10 to 50 million dollar size group, the proportion was 20.5 per cent; while for banks with such deposits over 50 million dollars, the proportion was 28.1 per cent. This is in line with what would be expected as, on the whole, the smaller banks tended to be located in the rural areas and in the smaller communities, where depositors are chiefly farmers, other individuals, and small trade establishments, while the larger banks tend to be located in the larger communities in which the larger industrial establishments and the wholesale trade and the larger retail establishments are to be found.

ESTIMATED OWNERSHIP OF DEMAND DEPOSITS OF INDIVIDUALS,  
PARTNERSHIPS, AND CORPORATIONS, BY SIZE OF BANKS,  
JANUARY 31, 1946

	Tenth Federal Reserve District (In millions of dollars)				
	Deposits under 1 million	Deposits 1 to 10 million	Deposits 10 to 50 million	Deposits over 50 million	All District Banks
Mfg. and mining.....	3	85	245	68	400
Trade.....	46	349	237	51	684
Other nonfinancial..	11	122	162	39	334
Financial.....	4	71	135	31	241
Personal.....	408	1,500	374	44	2,326
Nonprofit.....	5	33	44	9	92
Total*.....	477	2,161	1,198	242	4,077

\*Figures are rounded and consequently will not necessarily add to totals.

RETAIL CREDIT SURVEY FOR 1945

The Retail Credit Survey for the year 1945, based upon reports received from 483 firms in the Tenth Federal Reserve District, presents a cross section of the retail credit business in the District. The Survey, conducted annually as part of a national study, includes nine lines of business and shows sales and receivables by type of transaction, inventories, and selected balance sheet items. The reports include comparable figures for the year 1944, thus permitting comparisons to be made for identical stores.

**Total Sales** Total sales in 1945, as revealed by the reports of the 483 firms, showed a 12 per cent increase over total sales in the previous year. While part of this rise in the dollar volume of sales resulted from higher prices and the willingness and desire of customers to purchase more expensive lines of merchandise, this increase continues the trend that has been prevalent the past few years. The increase in sales occurred in each of the nine lines of business, with furniture stores and automobile tire and accessory stores showing the greatest percentage increases in total sales over 1944—namely, 16 per cent. The smallest increase, 6 per cent, is re-

ported by jewelry stores. Furniture store sales reflected the pent-up demand, especially of returning servicemen, for merchandise for new or re-established homes. Automobile tire and accessory stores continued their increase in sales over previous years, this gain being made possible by the increase in range of goods carried which occurred during the war. The scarcity of secondhand parts, formerly obtainable at junk yards, also contributed to the high level of sales in 1945. Department store sales increased further by 12 per cent. Sales of hardware stores showed a rise of 14 per cent, as did women's apparel stores and automobile dealers. Household appliance stores and men's clothing stores showed increases in total sales of 9 per cent over 1944, the latter increase occurring in spite of the shortage in men's furnishings.

**Type of Transaction** Cash, open credit, and instalment sales of the 483 reporting concerns increased over 1944. Cash sales increased 15 per cent. An increase occurred in each line of business, furniture stores and automobile tire and accessory stores leading with increases of 28 per cent and 24 per cent, respectively. Men's clothing stores

showed an increase in cash sales of 19 per cent over 1944, an increase which partially revealed the great demand for men's furnishings, but reflected also the strong tendency toward cash purchases in this line of business. This is substantiated by the 5 per cent decrease in open credit sales and the 32 per cent decrease in instalment sales in men's clothing stores.

Open credit sales showed an increase of 9 per cent in contrast with a gain of 15 per cent in cash sales. All lines of business except jewelry and men's clothing stores showed increases over the previous year's open credit sales, the gains ranging from 8 per cent at department stores to 21 per cent at automobile dealers. Jewelry stores showed a decrease of 4 per cent in open credit sales as compared with 1944.

**GROWTH OF SALES OF 483 RETAIL FIRMS**  
Tenth Federal Reserve District  
(Percentage Change 1944 to 1945)

	No. of Firms	Total Sales	Cash	Open Credit	Instalment
Automobile Dealers.....	96	+14	+16	+21	-15
Auto Tire & Accessory Stores.....	78	+16	+24	+11	+ 4
Department Stores.....	69	+12	+14	+ 8	+ 5
Furniture Stores.....	72	+16	+28	+14	+ 9
Hardware Stores.....	46	+14	+16	+13	+ 1
Household Appliance Stores.....	23	+ 9	+16	+20	- 8
Jewelry Stores.....	26	+ 6	+11	- 4	+ 4
Men's Clothing Stores....	43	+ 9	+19	- 5	-32
Women's Apparel Stores.....	30	+14	+17	+12	+ 7
Total.....	483	+12	+15	+ 9	+ 4

Instalment buying also showed an increase in 1945, being 4 per cent larger than in 1944. The nine lines of business showed wide variations in the percentage change of instalment sales, and the small dollar volume of such sales reduces the importance attached to the percentage increases or decreases that are shown. The large amount of buying power in the hands of the public and the continued scarcity of merchandise in hard lines, which consumers normally prefer to purchase on the instalment basis, thus far have prevented instalment buying from regaining its former important place in the economy.

These differences in rates of growth were not sufficient to change greatly the proportions between cash, open credit, and instalment sales. Cash sales in the nine lines of business combined accounted for 59 per cent of the total in 1945, as compared with 57 per cent in 1944. Open credit sales were 34 per cent of the total in 1945 and 35 per cent in 1944, while instalment buying constituted 7 per cent of total sales in 1945 and 8 per cent in 1944. Men's clothing stores and department stores did 65 per cent and 64 per cent, respectively, of their year's business on a cash basis. This is in decided contrast with furniture stores, which did only 32 per cent of their business on a cash

basis, with 27 per cent on an open credit basis and the other 41 per cent under terms of instalment buying. This was true in spite of the fact that furniture stores showed the greatest percentage gain in cash sales in 1945 over 1944. Automobile tire and accessory stores did 55 per cent of their year's business on an open credit basis, a percentage decidedly larger than that shown by any other line of business. Jewelry stores reported only 20 per cent of their sales made on open credit. Instalment buying constituted less than 1 per cent of the total sales of men's clothing stores, as compared with the 41 per cent in furniture instalment sales referred to above. Department stores, hardware stores, women's apparel stores, and automobile tire and accessory stores also showed a very small percentage of their sales on an instalment basis.

**PERCENTAGE DISTRIBUTION OF RETAILERS' SALES BY TYPE, 1945**  
Tenth Federal Reserve District

	Total Sales	Cash	Open Credit	Instalment
Automobile Dealers.....	100	50	41	9
Auto Tire & Accessory Stores..	100	40	55	5
Department Stores.....	100	64	33	3
Furniture Stores.....	100	32	27	41
Hardware Stores.....	100	62	34	4
Household Appliance Stores....	100	43	30	27
Jewelry Stores.....	100	59	20	21
Men's Clothing Stores.....	100	65	35	*
Women's Apparel Stores.....	100	57	39	4
Total.....	100	59	34	7

\*Less than one half of one per cent.

**Receivables** Receivables, as of December 31, 1945, in the nine lines of business combined, showed a 7 per cent increase over receivables reported at the close of 1944. However, the Survey indicated wide differences among the nine lines of business. Automobile tire and accessory stores showed an increase of 14 per cent in receivables on their books, whereas household appliance stores showed a 16 per cent drop and men's clothing stores a decrease of 12 per cent.

As was previously noted, open credit sales showed an increase of 9 per cent over 1944. A like increase of 9 per cent during the year was shown in open credit receivables. This corresponding percentage of increase indicates practically no change in the average time for collection. Instalment receivables showed an increase of only 1 per cent over 1944, while instalment sales were up 4 per cent.

Among the different lines of business, however, wide differences are noted in the percentage changes of open credit sales and open credit receivables from 1944. Automobile dealers, hardware stores, and household appliance stores reported substantially larger increases in open credit sales during the year 1945 than in open credit receivables. Men's clothing stores, while reporting a decrease in open credit sales, showed a much larger decrease in open credit receivables.



PERCENTAGE CHANGES IN SELECTED BALANCE SHEET DATA—DEC. 31, 1944, TO DEC. 31, 1945

Tenth Federal Reserve District

Current Assets

Current Liabilities

	No. of Firms*	Current Assets					Current Liabilities			
		Cash	Govt. Securities	Inventories (At Cost)	Accounts Receivable*	Total	Notes Payable to Banks	Trade Payables	Other	Total
Automobile Dealers.....	95	+44	-4	+1	+10	+14	+292	+29	+69	+61
Auto Tire & Accessory Stores	28	+25	+31	+24	+8	+21	+23	+25	+37	+31
Department Stores.....	53	+22	+7	-5	+7	+7	+247	+6	+35	+29
Furniture Stores.....	69	+15	+6	+4	+6	+8	+7	-4	+13	+7
Hardware Stores.....	45	+11	+8	0	0	+4	+100	+79	+12	+37
Household Appliance Stores..	23	+2	-17	+11	-16	-2	+133	+54	+8	+53
Jewelry Stores.....	25	+16	+19	+4	+7	+11	+11	+20	+20	+19
Men's Clothing Stores.....	42	+141	+55	-35	-8	+39	0	-18	+25	+17
Women's Apparel Stores.....	28	+52	+50	+8	+4	+26	+61	+1	-47	-9

\* The number of firms reporting balance sheet data was smaller than the number reporting sales data. Hence the items under "Accounts Receivable" differ slightly from those shown in the preceding table.

The automobile tire and accessory stores showed a much greater increase in open credit receivables than in open credit sales, as did jewelry stores which even showed a decrease in open credit sales and an increase in open credit receivables. This indicates of course a lengthening of the average credit in these two lines. Aside from these two exceptions, there was little evidence of any relaxation in the credit policy being pursued by the different lines of business. The demand for goods in practically all communities is exceptionally heavy, but increases in dollar wages have tended to restrict the need for an increase in the extension of credit.

drop in inventory holdings. Automobile dealers and women's apparel stores also showed large increases in cash balances, the former in part because of the holding of customer deposits for new cars.

United States Government security holdings increased over 1944, except at household appliance stores and automobile dealers, where holdings declined 17 and 4 per cent, respectively. However, the increase in the other lines of business was considerably smaller than in previous years.

Inventories (at cost) at the end of 1945 showed considerable increases at automobile tire and accessory stores and at household appliance stores. This increase reflected the return of goods to the shelves of these merchants who had been unable to obtain them during the war years. Women's apparel stores, furniture stores, and jewelry stores also showed more merchandise on hand at the end of 1945 than at the end of 1944. Men's clothing stores showed a very large drop in stocks, because of the great demand for men's furnishings and the lack of a sufficient supply to meet such demand and to replenish depleted stocks. Department stores also showed a lower inventory of merchandise, reflecting in large part the tremendous demand for goods during the first peacetime Christmas in four years and the inability to keep stocks up to 1944 levels.

PERCENTAGE CHANGES IN CREDIT SALES AND IN YEAR-END RECEIVABLES, 1944 TO 1945

Tenth Federal Reserve District

Receivables

Sales

	Receivables			Sales	
	Total	Open Credit	Instal-ment	Open Credit	Instal-ment
Automobile Dealers....	+10	+15	-5	+21	-15
Auto Tire & Accessory Stores.....	+14	+21	-15	+11	+4
Department Stores.....	+9	+9	+11	+8	+5
Furniture Stores.....	+7	+15	+4	+14	+9
Hardware Stores.....	-3	+5	-23	+13	+1
Household Appliance Stores.....	-16	+15	-29	+20	-8
Jewelry Stores.....	+6	+18	0	-4	+4
Men's Clothing Stores	-12	-11	-48	-5	-32
Women's Apparel Stores.....	+11	+14	-4	+12	+7
Total.....	+7	+9	+1	+9	+4

**Balance Sheet Data** Cash and bank deposits, as of December 31, 1945, showed substantial increases over the end of 1944 in each of the nine lines of business. Men's clothing stores showed the largest increase over 1944—141 per cent—reflecting the unusually liquid condition of these stores. This has been caused in part by the increasing volume of sales for cash and the

Current liabilities showed large percentage increases in practically all lines. Women's apparel stores were the major exception, with a decrease of 9 per cent in total current liabilities. The high percentages of increase for notes payable are less significant than they may appear since the base on which the increase is measured, the amount outstanding in 1944, is very low. Current ratios remained high, averaging 3.7 to 1 for the 408 reporting concerns.

BUSINESS AND AGRICULTURAL CONDITIONS

FINANCE

**Regional Deposit Distribution** As the volume of bank deposits increased during the period of the war, there arose considerable interest in the question of a regional redistribution of

bank deposits after the war. This interest was intensified with the end of the war and with the reduction in the total volume of deposits in the spring of 1946. A comparison of the daily average volume of bank deposits in all member banks in the United States

during the first half of January with the comparable figure for the second half of April shows that total deposits decreased by 3.9 billion dollars during the period, and that total deposits in the Tenth Federal Reserve District decreased by 218 million dollars during the same period.

The distribution of member bank deposits among Federal Reserve districts changed very little. The New York district held 29.4 per cent of all member bank deposits during the first half of January and 29.0 per cent during the latter half of April. On the other hand, the Philadelphia district held 5.2 per cent in January and 5.3 per cent in April; Atlanta held 4.8 per cent in January and 4.9 per cent in April; and San Francisco held 13.0 per cent in January and 13.1 per cent in April. There were no changes in the proportions of total deposits carried in the other Federal Reserve districts as expressed to the nearest tenth of one per cent.

The Kansas City Federal Reserve district held 4.6 per cent of the total deposits of all member banks in the country during each of these periods. The District Reserve city member banks carried 2.7 per cent of the deposits during each period, and the District country member banks carried 1.9 per cent of the deposits during each of these periods.

It would appear, then, that at least through April, significant regional shifts in the volume of bank deposits had not yet got under way.

#### DISTRIBUTION OF MEMBER BANK DEPOSITS BY FEDERAL RESERVE DISTRICTS\*

	First half Jan. 1946	Second half April 1946
Kansas City.....	4.6 per cent	4.6 per cent
Boston.....	4.9 " "	4.9 " "
New York.....	29.4 " "	29.0 " "
Philadelphia.....	5.2 " "	5.3 " "
Cleveland.....	7.7 " "	7.7 " "
Richmond.....	4.6 " "	4.6 " "
Atlanta.....	4.8 " "	4.9 " "
Chicago.....	15.0 " "	15.0 " "
St. Louis.....	3.8 " "	3.8 " "
Minneapolis.....	2.7 " "	2.7 " "
Dallas.....	4.4 " "	4.4 " "
San Francisco.....	13.0 " "	13.1 " "
United States.....	100.0 " "	100.0 " "

\*Percentages are based on daily average of deposits for half-month periods. As these figures are rounded to the nearest tenth, they do not necessarily add to totals.

**Member Bank Credit** During the four-week period ended May 15, deposits of the District weekly reporting member banks declined by 39 million dollars. The reduction in deposits arose largely from the Treasury withdrawals from war loan accounts in order to meet its cash redemption of Government securities. Government deposits of the reporting banks declined 51 million dollars. Interbank deposits declined by 19 million dollars. Private deposits, however, expanded, as private demand deposits increased by 28 million dollars and

	BANK DEBITS		Change from '45	
	Apr. 1946	4 Mos. 1946	Apr.	4 Mos.
	(Thousand dollars)		(Per cent)	
Colo. Springs, Colo....	29,440	118,258	+41	+31
Denver, Colo.....	357,550	1,394,243	+23	+18
Gr. Junction, Colo....	9,592	37,830	+42	+32
Greeley, Colo.....	12,216	51,371	+23	+21
Pueblo, Colo.....	26,854	99,948	+22	+19
Atchison, Kans.....	9,195	38,879	+49	+53
Emporia, Kans.....	8,242	33,468	+38	+29
Hutchinson, Kans.....	23,432	126,833	- 3	+21
Independence, Kans..	5,440	21,752	+42	+25
Kansas City, Kans....	49,591	185,511	+29	+17
Lawrence, Kans.....	7,263	30,366	- 4	- 3
Parsons, Kans.....	5,708	22,622	+ 3	- 2
Pittsburg, Kans.....	7,626	33,010	+29	+28
Salina, Kans.....	22,939	99,851	+ 8	+22
Topeka, Kans.....	64,856	255,850	+22	+14
Wichita, Kans.....	139,626	670,294	-34	-26
Joplin, Mo.....	22,957	92,071	+48	+40
Kansas City, Mo.....	668,775	2,747,544	+ 4	+ 3
St. Joseph, Mo.....	55,607	245,208	+ 6	+ 8
Fremont, Nebr.....	7,835	31,938	+16	+13
Grand Island, Nebr..	15,856	62,917	+19	+10
Lincoln, Nebr.....	58,869	234,459	+24	+25
Omaha, Nebr.....	341,936	1,448,788	+ 8	+ 9
Albuquerque, N. M....	52,209	213,983	+42	+47
Bartlesville, Okla....	45,810	182,365	+ 4	+ 4
Enid, Okla.....	19,298	85,331	-14	-11
Guthrie, Okla.....	3,253	13,351	+22	+15
Muskogee, Okla.....	17,303	68,607	+28	+13
Okla. City, Okla.....	212,762	839,934	+18	+12
Okmulgee, Okla.....	5,242	21,055	+49	+38
Tulsa, Okla.....	259,544	1,023,521	0	- 7
Casper, Wyo.....	15,848	55,977	+75	+26
Cheyenne, Wyo.....	19,557	86,201	+26	+14
District, 33 cities.....	2,602,231	10,673,336	+ 8	+ 6
U. S., 334 cities.....	87,532,000	338,205,000	+18	+10

time deposits increased by over 2 million dollars.

The decline in deposits was reflected in decreases of 70 million dollars in investments, 5 million dollars in balances "due from" banks, and 30 million dollars in borrowings, and increases of 3 million in loans and 4 million in reserves with the Federal Reserve Bank.

The contraction in investments represented a decline in the holdings of Government securities, as such holdings declined 77 million dollars, while other investments expanded by 7 million. Although all classes of Government securities declined, the largest contraction was in certificates of indebtedness, as the Treasury called for redemption the 1,579 million dollars of May 1 certificates of indebtedness. Total Government security holdings on May 15 were 227 million dollars above a year ago, but 144 million below the peak figure on January 16.

Total loans expanded by 3 million dollars in spite of a contraction of 6.2 million in loans on Government securities. The classes of loans that expanded and the amount of their expansion were as follows: "commercial, industrial, and agricultural" loans, 3.9 million; loans on non-Government securities, 1.5 million; real estate loans, 1.7 million; and the "all other" loans category, 2.1 million. Real estate loans are now 7.9



million dollars above their level of a year ago, while the "all other" loans category, which includes consumer loans, is now 19.4 million dollars above a year ago.

Principal items of condition of 50 member banks:

	Change from		
	May 15 1946	Apr. 17 1946	May 16 1945
	(In thousands of dollars)		
Loans and investments—total.....	2,381,110	-66,923	+349,297
Loans—total.....	422,143	+2,991	+90,287
Coml., indust., agric.....	239,658	+3,941	+31,421
To security brokers and dealers.....	7,178	+1,036	+2,417
Other to purchase or carry secur.....	52,842	-5,727	+29,196
Real estate loans.....	45,672	+1,694	+7,904
Loans to banks.....	50	-28	-100
All other loans.....	76,743	+2,075	+19,449
Investments—total.....	1,958,967	-69,914	+259,010
U. S. Govt. securities—total.....	1,796,855	-77,073	+227,306
Bills.....	85,181	-4,783	-13,223
Certificates of indebtedness.....	494,034	-58,478	+96,546
Notes.....	344,568	-3,223	+17,527
Bonds.....	872,792	-10,588	+150,669
Guaranteed obligations.....	280	-1	-24,213
Other securities.....	162,112	+7,159	+31,704
Reserves with F. R. Bank.....	433,755	+3,807	-47
Balances "due from" banks—net.....	277,340	-4,963	-32,402
Demand deposits—adjusted.....	1,465,928	+28,097	+71,840
Time deposits.....	305,705	+2,407	+54,143
U. S. Govt. deposits.....	377,748	-50,511	+216,894
Deposits "due to" banks—net.....	824,210	-19,162	-40,828
Borrowings.....	0	-30,150	-3,000

**DEPARTMENT STORE TRADE**

Dollar volume of department store sales in this District in April showed an extraordinary gain of 46 per cent over sales in the corresponding month a year ago, following an increase of only 7 per cent in March over last year. The unusually large gain for April and the smallness of the increase for March were due chiefly to the later date of Easter this year, Easter falling on April 21 in 1946 and on April 1 in 1945. Because of this, April sales in 1946 were swelled by Easter buying, whereas in 1945 April sales were dominated by the usual post-Easter lull. In the first three weeks of May, sales were maintained at a high level, dollar volume being about 31 per cent higher than in the same period last year. Part of the gain in sales in recent weeks has been due to the weather factor, as weather this spring has generally been favorable for the movement of seasonal merchandise, while last year the cool, wet spring was a deterrent to sales. Sales increased less than is usual from March to April, after allowance for the shifting date of Easter, and the seasonally adjusted index of daily average sales declined from 275 per cent of the 1935-39 average in March to 266 per cent in April, as compared with the peak level of 301 reached last February.

Department store inventories at the end of April were about 15 per cent larger in value than a year earlier. This is the same percentage increase as that reported for March 31 over a year ago. Part of the increase is due to higher prices of merchandise, and part

to a shift of holdings to higher-priced lines, but the increase also reflects improvement in supplies of some types of merchandise, such as housewares and house-furnishings. Outstanding orders declined somewhat further in April from the record level reached last February. Nevertheless, outstanding orders still were a third greater on April 30 than a year before, and were more than one and a half times actual stocks on hand.

Department stores sales and stocks in leading cities:

	No. of Stores	SALES		STOCKS
		Apr. '46	4 Mos. '46	Apr. 30, '46
		comp. to Apr. '45	comp. to 4 Mos. '45	comp. to Apr. 30, '45
		(Per cent increase or decrease)		
Denver.....	6	+58	+27	+15
Hutchinson.....	3	+40	+14	+24
Topeka.....	3	+37	+12	*
Wichita.....	4	+40	+14	+25
Kansas City.....	8	+43	+20	+20
St. Joseph.....	3	+54	+28	*
Omaha.....	4	+50	+26	*
Oklahoma City.....	6	+36	+14	+8
Tulsa.....	4	+39	+13	*
Other cities.....	33	+45	+22	+12
District.....	74	+46	+20	+15

\*Not shown separately but included in District total.

**INDUSTRIAL PRODUCTION**

**Meat Packing** Cattle slaughter in April, as indicated by packers' purchases at the leading District markets, was down 31 per cent from March this year and down 50 per cent from April, 1945. Slaughter of calves also showed a marked decline from a month ago, with sheep and lamb slaughter only slightly under that of March. Hog slaughter was up 34 per cent from last year. The sharp reduction in cattle slaughter for the month was largely a result of the curtailed operations of many of the large plants. Operators of leading plants continue to report that they cannot purchase live animals equitably under OPA ceiling prices. At the same time, a larger number of slaughter cattle were purchased by order buyers for shipment to Eastern markets. Around 65 to 70 per cent of the killing class of cattle sold on the Kansas City market was shipped East last month. An unusually heavy marketing of grain fed steers took place during the first four months of this year. The United States Department of Agriculture reported that the marketing of grain fed steers in this period was 37 per cent greater than in the first four months of last year.

Late in April it was announced that the set aside percentage on pork at Federally inspected plants would be raised from 13 to 15 per cent of live weight of all hogs slaughtered. This regulation requires that all plants operating under Federal inspection set aside this percentage of hog purchases for disposition by the Government in fulfilling its various requirements.

Total meat production in the United States for 1945 was estimated at 22.9 billion pounds, according to figures released by the United States Department of Agriculture. This is 7 per cent under the record total produced in 1944 but is the third largest on record. The number of cattle slaughtered under Federal inspection in 1945 was 4 per cent greater than in 1944, while other wholesale and retail slaughter showed an increase of 13 per cent over the volume in 1944.

United States stocks of meat and meat products continued to be withdrawn from storage during April. The out-of-storage movement of beef was around 16 million pounds in April as contrasted with an in-movement of 36 million pounds in 1945. A normal withdrawal at this time of the year is around 3 million pounds. There was a total out-movement of pork during April which was somewhat less than the normal withdrawal because of already depleted cold storage stocks. Cold storage holdings of lard decreased by 9 million pounds as compared with an average April increase of 9 million pounds. Butter stocks were reduced by a million pounds during the month of April, leaving only one third of a normal supply for May 1. This outward movement of meat and meat products reflects the general condition of short fresh supplies in many localities throughout the country.

**Flour Milling** Southwestern flour milling operations continued to decline, falling 6 per cent from March to about 80 per cent of full-time capacity for the month of April. During the first three weeks of May there was a still further decline in operations to an average of about 66 per cent. This level of operations was about 25 per cent under that of the corresponding weeks of a year ago. April flour production in the Southwest was 5 per cent under that of April, 1945. A continued curtailment of mill operations was necessitated in many cases by the complete lack of wheat supplies. A large number of mills in the Southwestern territory were closed down completely by the end of April. Most mills, however, resumed operations May 1 when the 75 per cent domestic quota provided wheat for milling. The trade considered it doubtful that any important amount of wheat will be milled from the new crop in time to get it into flour by the end of June. The 30-cent bonus program for wheat was to continue as scheduled until May 25, with all deliveries directed to the Commodity Credit Corporation as stipulated in the regulation. Mills are hopeful of receiving allotments of these deliveries for grinding into export flour, thus securing additional business over their allowable domestic production.

New sales of flour in the Southwest dwindled to practically nothing by April 30 except for occasional

small lots to regular customers. The rate of sales dropped to about 8 per cent of capacity at the close of the month. Supplies of flour were extremely short, and in the case of some bakers it is reported that bread route delivery men were instructed to buy family packages of flour at retail stores when deliveries of bread were made.

**Petroleum** Daily average production of crude oil in the United States as a whole attained a rate of 4,635,000 barrels in April, an increase of 4 per cent from the daily rate in March. Total output of crude oil increased 1 per cent from March but declined 4 per cent from April, 1945. The level of production during the first four months of 1946 was below that of the corresponding period of 1945.

Stocks of crude petroleum decreased throughout April and were 2 per cent lower at the end of the month than at the end of March. Increased production and reduced stocks reflected a rise in demand which was predicted to continue through May. Consumption of gasoline continued upward in April, and gasoline stocks declined over 5 million barrels (5 per cent) by the last of the month. The fuel oil situation was much improved as demand followed the normal downward trend, and stocks of fuel oil rose. Stoppage of soft coal production, due to labor disputes, created a somewhat heavier demand for fuel oil which was used to some extent as a substitute for coal.

Daily average production of crude oil in April in the six oil-producing states of the Tenth District was 860,000 barrels, 1 per cent more than in March. Total output, however, was lower, as the increase in daily average production was insufficient to offset the shorter month. Production in April was approximately the same as in April, 1945, as increases in Colorado and Wyoming were nearly offset by declines in Kansas and New Mexico. The month's production was 2 per cent above the ten-year average for April.

Stocks of crude oil in the District declined 2 per cent from the end of March to the end of April. The estimated demand for crude oil from the District states in April was about the same as in March, although the forecast of demand for May was 1 per cent above the April estimate.

The Petroleum Administration for War was terminated May 8. A new Oil and Gas Division has been established in the Department of the Interior. Organization of the division is proceeding slowly and present plans are tentative. It is planned to organize an advisory committee, known as the National Petroleum Council, to be composed of representatives of the petroleum industry.



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

	Apr.	4 Mos.	Change from '45	
	1946	1946	Apr.	4 Mos.
	(Thousand barrels)		(Per cent)	
Colorado.....	774	2,958	+164	+169
Kansas.....	7,602	30,422	-5	-5
Nebraska.....	23	94	-26	-11
New Mexico.....	2,875	11,634	-9	-7
Oklahoma.....	11,179	45,553	-1	+3
Wyoming.....	3,352	12,479	+10	+4
Six states.....	25,805	103,140	0	+1
United States.....	139,035	552,142	-4	-4

**Employment** In the United States as a whole, non-agricultural employment showed further declines in February, the latest month for which final figures are available. The level was 1 per cent lower than in January, 1946, and 7 per cent lower than in February, 1945. Decreases from February, 1945, of 27 per cent in manufacturing employment and 8 per cent in Government employment were offset by gains in five other industry divisions. The most significant increases in February in employment over the corresponding period of last year were 7 per cent in trade, 15 per cent in finance and service, and 110 per cent in construction. The large percentage gain in employment in construction industries had little effect on the total, however, because it constituted only about 4 per cent of total nonagricultural employment. Veterans constituted 13 per cent of employees in manufacturing industries in February. Their number had increased by more than 7 per cent from January and more than 32 per cent from December.

In April, unemployment in the nation as a whole, as estimated by the Bureau of the Census, was 2,350,000, 13 per cent lower than in March, despite a 2 per cent increase in the size of the labor force. The decline in the number of persons seeking work coincided with an increase of 1 per cent in nonagricultural employment from March to April, as shown by preliminary data. Bureau of Census figures show a somewhat greater increase in nonagricultural employment than the 1 per cent reported by the Bureau of Labor Statistics. As estimates of the Bureau of the Census include proprietors, self-employed persons, and domestic servants, which the Bureau of Labor Statistics excludes, the data indicate that gains in employment in these categories were relatively greater than in the wage and salary worker group.

In the Tenth District states, nonagricultural employment in February, the latest month for which figures are available, was 9 per cent lower than in February, 1945, and 1 per cent below January, 1946. As compared with January, small gains in construction, finance, service, and trade were not sufficient

to counteract losses in manufacturing, mining, and Government. Missouri was the only District state which showed an increase in nonagricultural employment. As compared with February, 1945, Kansas and Oklahoma again showed the greatest percentage losses. For several months, employment in New Mexico and Wyoming has shown small gains over the corresponding periods of the preceding year.

Manufacturing employment in the seven states declined 27 per cent from February, 1945, with the greatest relative decreases in Kansas and Oklahoma. The decline in manufacturing employment was partly the result of labor disputes in metal industries, but principally the result of reduced production of war materials. There was also a decline from January of 1 per cent in manufacturing employment, the largest loss occurring in Colorado.

As indicated by unemployment compensation claims in five principal labor market areas in the District, unemployment was slightly lower in April. Both initial claims and continued claims decreased somewhat in Denver, Wichita, Kansas City, Missouri, and Omaha, and remained at about the same level in Kansas City, Kansas. Servicemen's Readjustment Allowance claims showed a similar tendency, initial claims being a little lower and continued claims about the same or slightly lower in some areas.

Department of Labor estimates of employment:

	TOTAL NONAGRICULTURAL EMPLOYMENT			
	Feb. 1946	Aver. 2 Mos. 1946	Change from '45	
		(Number)	(Per cent)	Feb.
Colorado.....	252,000	253,500	-2	-1
Kansas.....	326,000	328,000	-18	-18
Missouri.....	871,000	867,000	-8	-8
Nebraska.....	239,000	240,500	-9	-8
New Mexico.....	81,100	82,000	+4	+5
Oklahoma.....	333,000	334,000	-12	-12
Wyoming.....	62,300	65,600	+4	+9
Seven states.....	2,164,400	2,170,600	-9	-9
United States.....	35,360,000	35,588,000	-7	-9

	MANUFACTURING EMPLOYMENT			
	Feb. 1946	Aver. 2 Mos. 1946	Change from '45	
		(Number)	(Per cent)	Feb.
Colorado*.....	42,300	45,100	-23	-17
Kansas.....	52,700	54,100	-60	-59
Missouri.....	311,000	309,500	-13	-13
Nebraska*.....	44,200	44,100	-33	-33
New Mexico*.....	8,200	8,200	+5	+5
Oklahoma*.....	54,800	55,700	-41	-39
Wyoming*.....	5,400	5,400	+8	+8
Seven states.....	518,600	522,100	-27	-27
United States.....	11,393,000	11,716,000	-27	-25

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

**AGRICULTURE**

**Crops** Generally satisfactory growing weather continued to favor crops in the District during the month of April. Moisture defi-

ciencies, however, began to have noticeable effects in the dry areas in southwestern Kansas, northwestern Oklahoma, and in New Mexico. Several beneficial moisture falls were received in the dry area in western Nebraska and eastern Wyoming. Even so, a serious lack of total soil moisture was still reported for eastern Wyoming. During the latter part of April and the first half of May, crop conditions in the western half of the District showed a marked decline. Freezing temperatures over all of Nebraska, Wyoming, and northern Kansas and Colorado on May 11 and several following days did serious damage to garden crops and probably to early corn, though if the corn did not freeze too far below the surface it may recover. The full extent of the damage has not yet been estimated. Wheat apparently escaped extensive damage. Corn planting is almost completed in the District except in the northernmost portion where planting is proceeding ahead of the normal schedule.

The May 1 estimate of the 1946 winter wheat production indicated a crop for this District about 15 per cent under the 1945 crop but 26 per cent over the average from 1935 to 1944. Insufficient rainfall over the heavy producing areas was largely responsible for a 16 per cent decline in the May 1 estimated production from April 1 this year. Some Hessian fly and green bug damage has been reported in north central Oklahoma and southern Kansas counties. Harvest is under way in southern Oklahoma and on May 21 wheat was reported heading up as far north as Nebraska. Wheat in New Mexico has been severely damaged by drouth conditions. For the whole state precipitation there during April was only about one half of normal.

Department of Agriculture winter wheat estimates:

	PRODUCTION		YIELD PER ACRE		ACREAGE ABANDONED	
	Indic. 1946	Final 1945	Indic. 1946	Final 1945	Indic. 1946	Final 1945
	(1,000 bushels)		(Bushels)		(Per cent)	
Colo.....	32,886	31,967	21.0	24.8	12.0	16.7
Kans.....	168,048	207,917	13.5	15.5	12.0	5.2
Mo.....	22,778	22,518	14.0	14.5	5.0	9.3
Nebr.....	75,411	84,226	19.0	23.0	4.0	4.3
N. Mex.	1,230	2,034	6.0	9.0	55.0	35.4
Okla.....	56,250	70,917	10.0	12.7	13.0	6.7
Wyo.....	4,004	3,060	22.0	20.0	8.0	15.9
7 states	360,607	422,639	14.1	16.3	11.3	6.8
U. S.....	742,887	823,177	16.2	17.6	11.9	6.9

By far the most important development concerning crops has been the announcement by Secretary of Agriculture Anderson of the plan to continue many of the present grain marketing regulations throughout the new crop year and to put into effect several new control measures. The announcement was said to be only an indication of the plans, with the necessary formal orders and regulations to come later. The

	RAINFALL			
	Apr. 1946		4 Mos. 1946	
	Total	Normal	Total	Normal
	(In inches)			
<b>COLORADO</b>				
Denver.....	1.33	2.06	2.24	4.03
Leadville.....	2.10	1.74	4.50	6.15
Pueblo.....	2.83	1.31	3.72	2.68
Lamar.....	1.65	1.63	4.02	3.27
Alamosa.....	0.33	0.72	1.13	1.39
Steamboat Springs...	2.68	2.20	7.11	9.19
<b>KANSAS</b>				
Topeka.....	3.19	2.90	8.54	7.09
Iola.....	4.13	3.90	10.11	9.35
Concordia.....	0.94	2.16	3.07	4.65
Salina.....	0.89	2.34	3.54	5.37
Wichita.....	1.87	2.96	7.12	6.54
Hays.....	1.03	2.21	3.15	4.20
Goodland.....	0.76	1.83	3.29	3.64
Dodge City.....	0.36	2.00	2.78	4.09
Elkhart.....	1.90	1.50	4.20	3.43
<b>MISSOURI</b>				
St. Joseph.....	1.79	3.19	9.22	8.62
Kansas City.....	4.57	3.52	11.39	8.56
Joplin.....	5.35	4.70	13.45	11.74
<b>NEBRASKA</b>				
Omaha.....	0.58	2.51	4.07	5.47
Lincoln.....	0.50	2.53	4.75	5.39
Norfolk.....	0.90	2.71	4.07	5.51
Grand Island.....	0.35	2.59	2.43	5.25
McCook.....	0.17	2.12	2.39	4.15
North Platte.....	0.63	2.06	3.06	3.84
Bridgeport.....	0.73	2.01	2.80	3.56
Valentine.....	1.58	1.85	3.24	3.90
<b>NEW MEXICO</b>				
Clayton.....	1.35	1.67	2.11	2.88
Santa Fe.....	0.28	0.90	3.11	3.06
Farmington.....	0.14	0.61	0.77	2.54
<b>OKLAHOMA</b>				
Tulsa.....	3.72	4.19	12.18	10.34
McAlester.....	4.28	4.50	14.93	12.48
Oklahoma City.....	2.07	3.29	9.94	7.57
Pauls Valley.....	2.34	3.71	11.71	8.96
Hobart.....	1.59	3.01	4.40	6.40
Enid.....	1.11	3.23	5.99	6.95
Woodward.....	Trace	2.47	5.25	5.65
<b>WYOMING</b>				
Cheyenne.....	0.35	1.99	3.44	4.07
Casper.....	0.72	2.06	2.67	4.52
Lander.....	0.47	2.06	1.91	4.44
Sheridan.....	1.10	1.92	5.84	4.63

highlights of the announced plan are as follows: (1) An amount of 250 million bushels of wheat to be available for export during the coming crop year. (2) Continuation of the 80 per cent flour extraction order. (3) Limiting mills in the manufacture of flour for domestic use to 85 per cent of the amount distributed domestically in the corresponding months of 1945. (4) Producers of wheat must offer for sale one half of quantities of wheat delivered to elevators. (5) One half of all wheat purchased by elevators from producers will be set aside for sale to the Commodity Credit Corporation (to remain in effect until the export requirement of 250 million bushels is realized). (6) Embargo on the shipment of wheat out of the states of Oklahoma, Texas, New Mexico, Arkansas, and Louisiana except for export or by special permit.

The ceiling prices on grains were advanced May 13 by Government action announced jointly by the Office of Economic Stabilization and the Office of Price



Administration. The following advances in grain ceilings were ordered: wheat, 15 cents per bushel; corn, 25 cents per bushel; oats, 5 cents per bushel; barley, 9 cents per bushel; rye, 10 cents per bushel; and grain sorghums, 18 cents per hundredweight. The order also contained provisions for advances of \$7.50 to \$14.00 per ton in the ceiling prices of most protein feeds. The price advances on grains constituted a strong effort to supplement present measures designed to move grain to the Commodity Credit Corporation for shipment abroad to fulfill relief commitments. Government bonus buying of corn at 30 cents a bushel over the old ceilings was terminated May 11. The same program, as it applied to wheat, continued through to May 25. Producers marketing wheat between the dates of May 13 and May 25 received 45 cents per bushel premium over the old ceilings in effect until May 13.

The lower range of cash grain prices at Kansas City:

	May 16 1946	Apr. 30 1946	Mar. 30 1946	Apr. 30 1945
No. 1 hd., dk. wheat, bu.....	\$1.88 1/8	\$1.73 1/8	\$1.73 1/8	\$1.67
No. 2 mixed corn, bu.....	1.41 7/8	1.16 7/8	1.16 7/8	1.09
No. 2 white oats, bu.....	.84 3/4	.79 3/4	.79 3/4	.64
No. 2 rye, bu.....	2.15	2.46	2.24	1.22
No. 2 barley, bu.....	1.30	1.21	1.21	.95
No. 2 white kafir, cwt.....	2.69 1/2	2.51 1/2	2.51 1/2	1.85

**Livestock** The shortage of feed on farms for livestock continued to be an outstanding factor of interest to livestock men in the District. Many operators in the feeding areas of the District have reported farm supplies of feed grains completely exhausted. These same reports have indicated that at this early date a substantial percentage of fed stock has already moved to market. This opinion is borne out to some extent by the heavy receipts of grain fed steers received at the Kansas City market during the first four months of this calendar year.

In connection with the Government program for securing sufficient supplies of food to meet commitments in foreign countries for relief, Secretary of Agriculture Anderson recently called on the farmers for a 10 per cent reduction in this year's fall pig crop. This measure was deemed necessary in view of the current and future need of more grain for direct human consumption rather than in the form of feed for livestock. It is apparent that if the United States is to meet both domestic and foreign demands for food grains for direct human consumption, there will have to be a reduction in the amount of these grains fed to livestock. Many Government programs are being directed to this end. Already receipts of hogs at principal markets show a sharp weight reduction from

last year. Compared with last year's marketings, hog weights on the average are down 19 pounds at Kansas City, 19 pounds at Omaha, 25 pounds at Sioux City, and 25 pounds at St. Joseph.

Top prices of beef steers were at the ceiling of \$17.65 per hundredweight at the Kansas City market for the month of April. Weakness developed in the market the first part of May and top prices were ranging slightly below the ceiling. One lot of stocker cattle sold at the absolute cattle ceiling of \$17.65 per hundredweight, an abnormally high price for this class of cattle. Unhampered by direct price ceilings, which exist on other livestock, spring lambs and some old crop lambs were selling at \$17.00 per hundredweight and above in the month of April.

Top carlot livestock prices at Kansas City:

	May 16 1946	Apr. 1946	Mar. 1946	Apr. 1945	Apr. 1944	Apr. 1943
	(In dollars per hundredweight)					
Beef Steers.....	17.50	17.65	17.65	17.25	16.50	17.10
Stocker cattle.....	17.00	17.65	16.60	15.50	14.50	17.00
Feeder cattle.....	17.00	16.60	16.50	15.60	14.35	15.75
Calves.....	17.00	17.00	17.00	14.00	14.00	16.00
Hogs.....	14.55	14.55	14.55	14.50	13.75	15.65
Lambs.....	17.25	17.00	15.65	16.75	16.40	16.00
Slaughter ewes.....	8.75	9.00	8.00	9.25	9.10	9.10

**Farm Income** Cash income from farm marketings in March for the United States as a whole and for the District was down only 1 per cent from the corresponding month a year ago. The three states of Colorado, Nebraska, and Wyoming showed increases ranging up to 19 per cent over March, 1945, with the remainder of the states recording decreases.

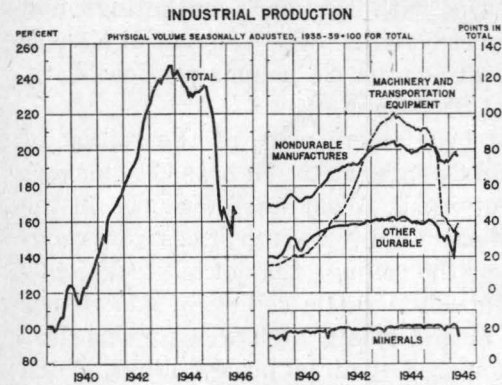
The February to March decrease of 15 per cent is a seasonal movement, and is not a true indication of the current trend of cash farm income received in the seven states of the District. Income from farm marketings for the first three months of the year in these states was estimated to be 7 per cent above that for the same months of 1945. Income from crops for the first three months of 1946 increased 8 per cent and income from livestock was up 7 per cent over the corresponding period last year.

Department of Agriculture estimates of cash income from farm marketings:

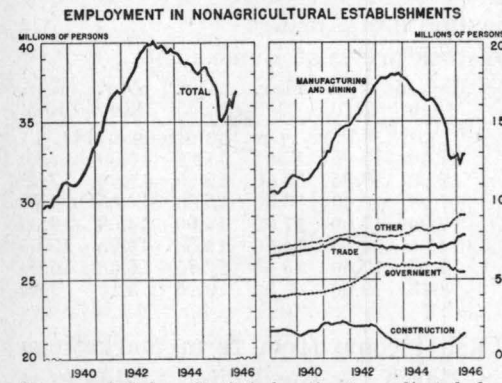
	Mar. 1946	3 Mos. 1946	Change from '45 Mar.	3 Mos.
	(Thousand dollars)		(Per cent)	
Colorado.....	23,244	68,786	+19	+23
Kansas.....	44,025	160,515	- 7	+ 4
Missouri.....	42,139	140,455	- 4	- 2
Nebraska.....	64,063	217,238	+ 7	+27
New Mexico.....	5,221	13,859	- 6	-22
Oklahoma.....	25,230	77,350	-15	-15
Wyoming.....	4,618	13,039	+12	+13
Seven states.....	208,540	691,242	- 1	+ 7
United States.....	1,369,708	4,287,516	- 1	- 1

NATIONAL SUMMARY OF BUSINESS CONDITIONS

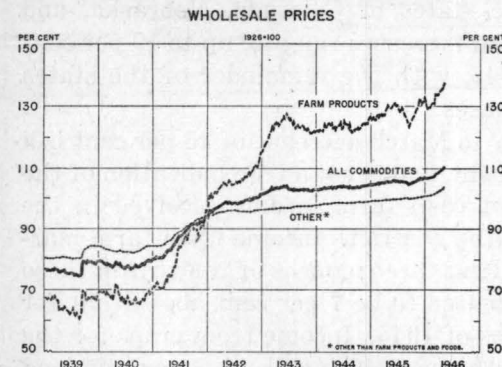
By the Board of Governors of the Federal Reserve System



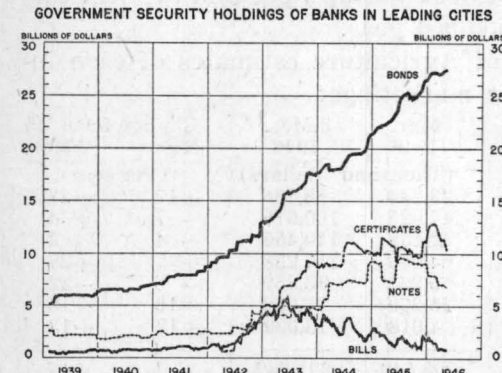
Federal Reserve indexes. Groups are expressed in terms of points in the total index. Monthly figures, latest shown are for April, 1946.



Bureau of Labor Statistics' estimates, adjusted for seasonal variation by Federal Reserve. "Other" includes transportation, public utilities, finance, service, and miscellaneous. Proprietors and domestic workers excluded. Latest month shown is April, 1946.



Bureau of Labor Statistics' indexes. Weekly figures, latest shown are for week ending May 18, 1946.



Excludes guaranteed securities. Data not available prior to February 8, 1939; certificates first reported on April 15, 1942. Wednesday figures, latest shown are for May 15, 1946.

**INDUSTRIAL PRODUCTION**  
The Board's seasonally adjusted index of industrial production declined 2 per cent in April and was at 164 per cent of the 1935-39 average. The drop in coal output after April 1 and the resultant curtailment in operations in some industries were offset in part by substantial increases in activity in the automobile and electrical machinery industries following settlement of wage disputes in the latter part of March.

Production of durable manufactures as a group rose 3 per cent in April. Iron and steel production declined about 6 per cent; decreased output of pig iron and open hearth and bessemer steel was partly offset by a sharp rise in electric steel production. In May activity at steel mills continued to decline as a result of coal shortages and during the past two weeks has averaged only about 50 per cent of capacity.

The number of passenger cars and trucks assembled in April was 80 per cent greater than in March, and there also were substantial increases in activity in the railroad equipment industry and in output of many types of electrical equipment. Production of lumber and stone, clay, and glass products was maintained at the March level, which was above the same period last year.

Output of most nondurable goods was maintained in April at about the March level. Activity at cotton mills declined slightly, owing to reduced coal supplies, but output at other textile mills advanced further. The number of animals slaughtered under Federal inspection continued to decline sharply in April. Output of flour and bakery products decreased somewhat in April and is expected to decline substantially in May as a result of the stringent wheat supply situation.

Minerals production declined by a fourth from March to April, reflecting primarily the drop in bituminous coal output. There was also a further reduction in output of metals, while crude petroleum production increased in April and early May. On May 13 bituminous coal production was resumed under a temporary work agreement, and during the week ending May 18 output was 70 per cent of the pre-strike weekly rate.

Value of construction contracts awarded rose sharply in April, according to reports of the F. W. Dodge Corporation. The increase reflected a very large expansion in awards for private residential construction to a record level; awards for most other types of private construction were maintained at recent high levels.

**EMPLOYMENT**  
Nonagricultural employment continued to gain in April notwithstanding the bituminous coal strike, and unemployment decreased by about 350,000. Manufacturing employment rose by about 400,000 largely because of settlement of major labor disputes, and construction employment showed a further large gain.

**COMMODITY PRICES**  
Price ceilings on grains were increased substantially on May 13 and ceilings for a number of nonagricultural products have also been raised during the past month. Recent price increases for industrial products have usually been between 10 and 20 per cent. Recent advances announced for automobiles were smaller than these amounts but they were in addition to price increases made earlier this year.

Retail prices of most groups of commodities continued to show small advances in April and the consumers' price index increased one half per cent to a point 3 per cent higher than in April, 1945.

**DISTRIBUTION**  
Retail sales continued at a high rate in April and the first half of May. During the past four weeks department store sales have been one third larger in value than in the corresponding period of 1945.

Freight carloadings declined sharply in April, reflecting chiefly the drop in coal shipments. Shipments of most manufactured products continued to increase until the week ending May 18. In that week interruptions in freight service resulted in large decreases in loadings of manufactured products but bituminous coal shipments were resumed, and total loadings increased slightly.

**BANK CREDIT**  
Treasury deposits declined, reflecting disbursements in excess of receipts, and deposits subject to reserve requirements increased during April and the first three weeks of May. Reserve balances increased less than required reserves, and excess reserves declined to about 700 million dollars on May 22. Federal Reserve holdings of Government securities, which declined substantially in the early months of the year, have increased somewhat since the middle of April.

Member bank holdings of Treasury bills, certificates, and notes declined in April and the first half of May, while holdings of Treasury bonds increased further. Loans at member banks in leading cities declined, reflecting largely reductions in loans for purchasing and carrying Government securities.

In the latter part of April the Reserve Banks, with the approval of the Board of Governors, eliminated the wartime preferential discount rate of about one half of one per cent on advances to member banks secured by Government obligations due or callable in not more than one year. The regular discount rate on advances secured by Government obligations or eligible paper remains at one per cent.