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TENTH FEDERAL RESERVE DISTRICT

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CHANGES IN CONSUMER BUYING

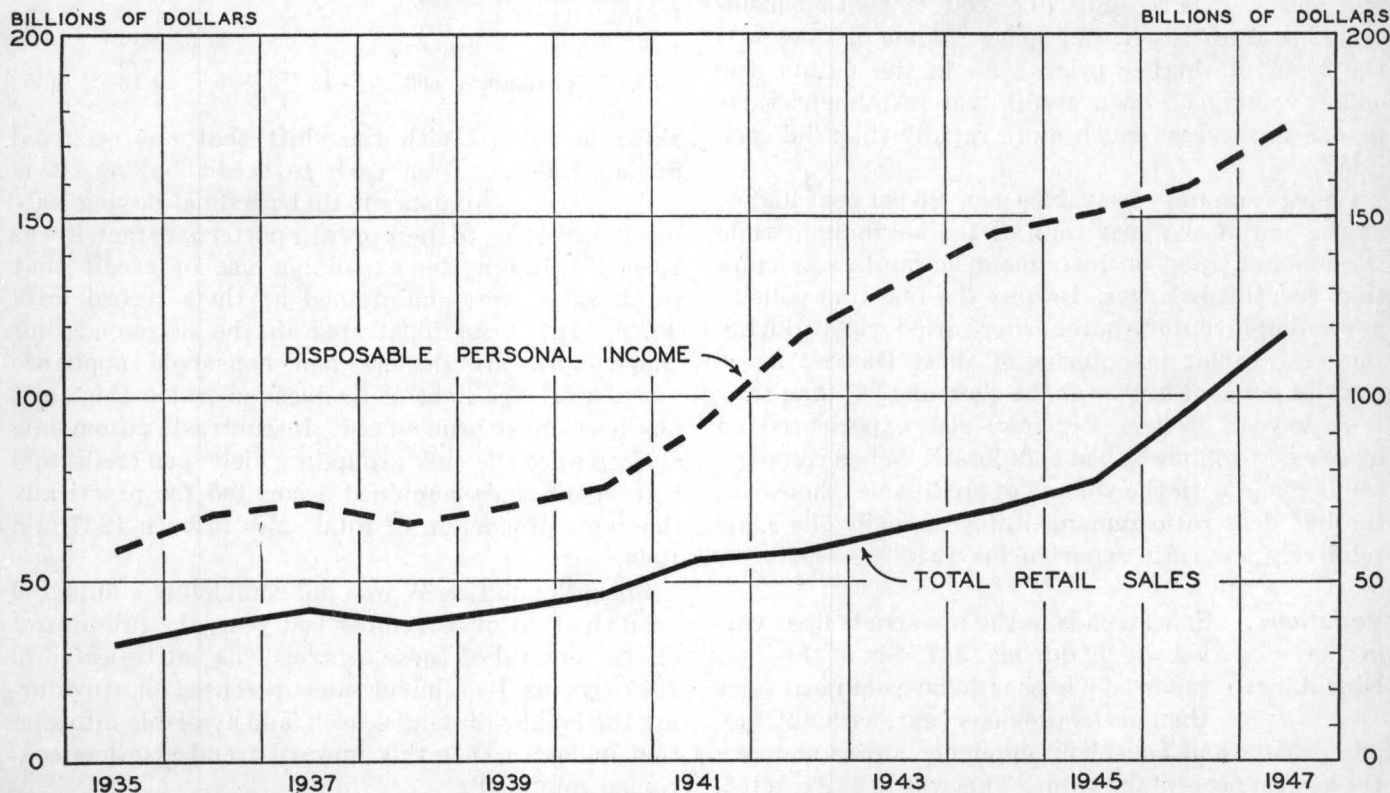
Dollar volume of retail sales, as shown in the accompanying chart, has experienced a sharp increase during the past two years. Higher prices, of course, account for a considerable part of this gain. With goods reaching the market in increasing quantities, the consuming public has attempted to satisfy the huge pent-up demand that had accumulated during and immediately following the war. There has been, and continues to be, a growing consumer preference for better quality products, although higher prices have considerably tempered this demand.

By the latter part of 1946, production of nondurable goods had reached a high level, and very large sales resulted from the backed-up demand for such items. Output of durable goods was much slower in reaching substantial volume because of labor difficulties and

shortages of materials, especially steel, and as a result such items were not competing actively for the consumer dollar. Early in 1947, however, durable goods came on the market in larger quantities. A substantial part of the demand for soft lines had been satisfied, and consumer purchasing power was diverted in increasing amounts to the durable lines.

As the chart shows, disposable personal income (after taxes) increased rapidly during the war. The increase tended to flatten out in 1946 because of the hesitation of business while retooling for peacetime production, but there was a sharp gain when employment reached new record levels. During the war, savings rose to new heights because of large income and a shortage of civilian goods. During the past two years, retail sales have been stimulated not only

RETAIL SALES AND DISPOSABLE INCOME, U. S.



by the high level of disposable income but also by the large volume of wartime savings that entered the market when goods became available. These factors thus account in large part for the movement of retail sales since 1941.

The gradual shift from a seller's toward a buyer's market over the past two years has been accompanied by increasing use of open credit and instalment accounts. During 1947, the sharp increase in the price of items directly related to the cost of living necessitated a marked slowing in the rate of savings. Consumers, in increasing numbers, found it necessary to draw upon past savings in order to purchase these essentials. The pressure of increased living costs has thus been an important factor in bringing about a shift from cash buying to open credit and instalment purchasing. The modified terms and subsequent complete elimination of Regulation W undoubtedly has also been a factor in this development.

District Survey Changes in consumer spending at 666 retail stores of the Tenth District are shown in the annual Retail Credit Survey just completed. This study, conducted as part of a nation-wide project, covered nine trade lines and secured comparable data for 1947 and 1946 on sales, receivables, inventories, and bad debt losses. The dollar volume of retail sales as reported by these District firms was 13 per cent higher than in 1946, with consumers directing their increased expenditures mainly into durable goods. It is recognized, of course, that a considerable part of this rise in dollar volume of sales was the result of higher prices. As in the nation, the dollar volume of open credit and instalment sales tended to increase much more rapidly than did cash sales.

Charge account receivables were 26 per cent higher at the end of the year than at the beginning, while the amount owed on instalment accounts was more than two thirds larger. Despite the fact that policies governing inventory purchasing varied widely during the year, dollar inventories of these District firms were 11 per cent higher at the close of 1947 than they were a year earlier. Retailers also experienced an increase in volume of bad debt losses. When comparison is made with the volume of credit sales, however, the bad debt ratio remained at practically the same relatively low ratio reported for 1946.

Variations in the Nine Lines Sales trends in the nine trade lines varied widely during 1947. Six of the lines reported a higher dollar volume of sales than in the previous year, with automobile dealers and household appliance stores showing the largest percentage gains. This was to be expected,

however, as the pent-up demand for such durable goods still remained unsatisfied and carried over into the second, and even the third, year after the close of the war. Increased supplies of these goods during 1947 also were a factor in the higher dollar volume of sales.

A drop in sales occurred at jewelry, automobile tire and accessory, and women's apparel stores. Had it not been for the radical fashion changes in 1947, sales at women's apparel stores undoubtedly would have shown more of a decline.

Whereas six of the nine lines had smaller cash sales in 1947 than in 1946, all nine showed larger instalment sales and eight had larger sales on open credit. Automobile dealers, household appliance stores, and hardware stores were the three lines in which customers stepped up cash purchases at the same time that they were buying more on credit.

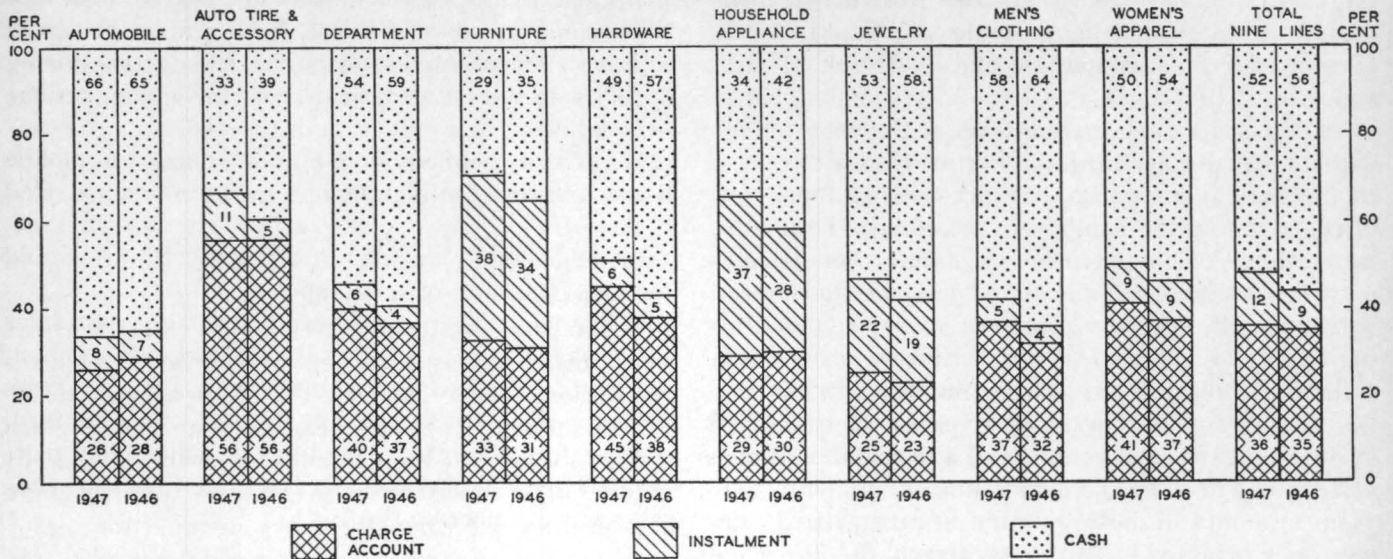
SALES OF 666 RETAIL STORES
Tenth Federal Reserve District

	No. of Firms	Percentage Change 1946 to 1947			
		Total Sales	Cash Sales	Charge Account Sales	Instalment Sales
Automobile Dealers..	136	+51	+54	+40	+65
Auto Tire & Accessory Stores...	93	-5	-21	-4	+103
Department Stores...	76	+5	-4	+14	+59
Furniture Stores.....	106	+17	-3	+23	+31
Hardware Stores.....	73	+18	+2	+38	+38
Household Appliance Stores...	47	+42	+15	+38	+88
Jewelry Stores.....	38	-7	-15	0	+6
Men's Clothing Stores.....	60	+5	-4	+19	+39
Women's Apparel Stores.....	37	-1	-8	+10	+1
Total—Nine Lines.....	666	+13	+5	+18	+45

Shifts in Buying Habits With the shift that has occurred from cash to credit buying, it is apparent that personal buying habits are reverting to their prewar pattern. In fact, it was largely through the expanding use of credit that retail sales were maintained at their record level during 1947. As illustrated in the accompanying chart, hardware dealers and household appliance stores were the lines of business in which this shift has been most pronounced. In contrast, automobile dealers were the only group in which open credit and instalment sales combined accounted for practically the same proportion of total sales in both 1947 and 1946.

Since Regulation W was not completely eliminated until the first of November last year, the full impact of the removal of these controls was not reflected in 1947 figures. Instalment sales increased sharply during the holiday buying season, and available information indicates that this upward trend also has continued into 1948.

PERCENTAGE DISTRIBUTION OF RETAILERS' SALES, 1947 AND 1946
Tenth Federal Reserve District



Changes in Receivables At the close of 1947, retailers found their total receivables 38 per cent higher than at the beginning of the year. Percentage increases in open credit and instalment receivables were considerably larger than those registered in credit sales. This is probably accounted for in part by the lengthening of some credit terms and the laxness of some individuals in meeting obligations. This condition, however, did not prevail throughout all nine lines, as automobile dealers and hardware stores showed larger gains in charge account sales than in open credit receivables.

The ratio of bad debt losses to total credit sales varied from .25 per cent at household appliance stores

to 1.26 per cent at jewelry shops, with an average of .36 per cent for all firms reporting. In 1946, automobile tire and accessory stores had the lowest ratio, .18 per cent, and jewelry stores the highest, 2.06 per cent, while the average for all firms reporting was .33 per cent.

The huge volume of retail sales in 1947 was based upon a high level of personal income, the use of past savings, and a wide extension of credit. With all types of goods reaching the market in increasingly larger volume, indications are that the dollar volume of total retail sales in 1948 may even equal or surpass the 1947 level.

BUSINESS AND AGRICULTURAL CONDITIONS

MEMBER BANK CREDIT

Both reserve city and country member banks in this District experienced a further decline in bank deposits during March, principally as a result of a large volume of income tax payments during the

month. Accordingly, demand deposits other than interbank declined in both classes of banks, but to a greater degree in the reserve city banks. The reserve city banks experienced a decline of equal magnitude in interbank deposits, as the country banks reduced

SELECTED ITEMS OF CONDITION OF TENTH DISTRICT MEMBER BANKS
(In millions of dollars)

	ALL MEMBER BANKS			RESERVE CITY BANKS			COUNTRY BANKS		
	Mar. 31 1948	Feb. 25 1948	Mar. 26 1947	Mar. 31 1948	Feb. 25 1948	Mar. 26 1947	Mar. 31 1948	Feb. 25 1948	Mar. 26 1947
Loans and investments.....	4,142	4,220	4,073	2,204	2,262	2,229	1,938	1,958	1,844
Loans and discounts.....	1,290	1,286	1,053	762	771	640	528	515	413
U. S. Government obligations.....	2,489	2,576	2,698	1,257	1,308	1,414	1,232	1,268	1,284
Other securities.....	363	358	322	185	183	175	178	175	147
Reserve with F. R. Bank.....	773	815	773	457	492	462	316	323	311
Balances with banks in U. S.....	560	599	632	257	265	259	303	334	373
Cash items in process of collection.....	228	264	223	212	247	207	16	17	16
Gross demand deposits.....	4,788	4,992	4,817	2,621	2,765	2,667	2,167	2,227	2,150
Deposits of banks.....	745	821	924	689	760	851	56	61	73
Other demand deposits.....	4,043	4,171	3,893	1,932	2,005	1,816	2,111	2,166	2,077
Time Deposits.....	673	673	659	364	364	357	309	309	302
Total deposits.....	5,461	5,665	5,476	2,985	3,129	3,024	2,476	2,536	2,452
Borrowings.....	7	5	4	5	3	3	2	2	1

their balances with the city banks in order to meet the drain of funds from their own institutions. The volume of interbank demand deposits has been decreasing for several months, and on March 31 such deposits in the District reserve city member banks were 20 per cent below their level at the end of 1947.

Loan volume declined slightly in District reserve city banks during March, but increased by 3 per cent in District country banks. At the end of the month, loan volume of the reserve city banks was approximately the same as at the end of 1947, while the loan volume of the country banks was 6 per cent higher than at the end of last year. In interpreting these figures, it must be recognized that the first half of the year is typically a period of seasonal expansion in country bank loan volume and a period of seasonal contraction in city bank loan volume.

Investments of both country and city banks decreased during the month of March despite some increase in the amount of non-Government securities held. Reserve city bank loans and investments combined declined by 58 million dollars compared with a

	BANK DEBITS		Change from '47	
	Mar. 1948	3 Mos. 1948	Mar. 1948	3 Mos. 1948
	(Thousand dollars)		(Per cent)	
COLORADO				
Colo. Springs...	34,905	100,950	-2	+4
Denver.....	499,627	1,409,664	+14	+13
Gr. Junction.....	12,261	36,918	-1	+4
Greeley.....	20,367	64,268	+15	+25
Pueblo.....	35,926	103,256	+10	+11
KANSAS				
Atchison.....	16,987	41,206	+23	-2
Emporia.....	8,928	28,064	-7	+1
Hutchinson.....	37,677	130,749	+11	+7
Independence.....	6,442	20,024	-1	+3
Kansas City.....	61,605	179,923	+12	+9
Lawrence.....	10,201	30,032	+10	+11
Parsons.....	7,077	23,075	+6	+13
Pittsburg.....	11,657	35,813	+20	+25
Salina.....	29,857	112,748	+4	+10
Topeka.....	79,974	242,891	+5	+2
Wichita.....	248,312	709,700	+30	+16
MISSOURI				
Joplin.....	26,227	78,584	+7	+4
Kansas City.....	1,032,579	3,078,213	+14	+15
St. Joseph.....	97,104	295,100	+13	+13
NEBRASKA				
Fremont.....	16,568	47,614	+32	+30
Grand Island...	22,123	64,223	+13	+14
Hastings.....	14,154	42,846	-3	+9
Lincoln.....	81,792	227,264	+10	+12
Omaha.....	457,267	1,428,579	-4	+5
NEW MEXICO				
Albuquerque.....	74,264	213,284	+16	+12
OKLAHOMA				
Bartlesville.....	96,626	261,830	+61	+50
Enid.....	35,246	114,855	+15	+5
Guthrie.....	4,022	12,112	-5	+1
Muskogee.....	21,779	67,109	+7	-2
Okla. City.....	286,526	855,435	+4	+12
Okmulgee.....	6,731	20,143	+2	+12
Tulsa.....	471,931	1,366,856	+43	+44
WYOMING				
Casper.....	22,896	69,266	+25	+26
Cheyenne.....	29,295	84,036	+13	+3
District, 34 cities.	3,918,933	11,596,630	+14	+15
U. S., 333 cities..	107,621,000	303,077,000	+15	+13

loss of 144 million in deposits, while country bank loans and investments combined declined by 20 million dollars compared with a loss of 60 million dollars in deposits. For each class of banks, the contraction of deposits in excess of the decline in earning assets was reflected in a reduction in reserves and cash balances, which declined by 79 million dollars in the city banks and by 40 million dollars in the country banks.

DEPARTMENT STORE TRADE

Dollar volume of sales at reporting department stores in this District in March and in the first three weeks of April was 9 per cent above the corresponding period a year earlier. This comparison covers Easter shopping both this year and last. Since Easter, warm weather has been an added stimulus to sales of apparel and other seasonal items, and recently there has been an exceptionally heavy demand for major household appliances such as refrigerators and ranges. Department store sales showed more than the usual increase from February to March, after allowance for the influence of Easter, and the seasonally adjusted index of daily average sales rose from 292 per cent of the 1935-39 average in February to 307 per cent in March. This was slightly higher than last January but is below the peak of 335 last November.

Department store inventories in March increased for the eighth consecutive month, the seasonally adjusted index of stocks reaching a new peak level of 353 per cent of the 1935-39 average. The volume of orders outstanding declined during March. At month end, stocks of merchandise on hand were 16 per cent larger in value than a year ago, while outstanding orders were 7 per cent less.

Department store sales and stocks in leading cities:

	SALES		Stocks
	Mar. '48 comp. to Mar. '47	3 Mos. '48 comp. to 3 Mos. '47	Mar. 31, '48 comp. to Mar. 31, '47
	(Per cent increase or decrease)		
Denver.....	+4	+4	+4
Pueblo.....	+18	+19	+2
Hutchinson.....	+10	+6	+40
Topeka.....	+18	+10	+35
Wichita.....	+14	+8	+27
Joplin.....	+6	+8	+20
Kansas City.....	+13	+10	+13
St. Joseph.....	-3	+1	*
Omaha.....	+3	+4	+8
Oklahoma City.....	+13	+10	+38
Tulsa.....	+21	+16	*
Other cities.....	+5	+4	+25
District.....	+9	+8	+16

*Not shown separately but included in District total.

INDUSTRIAL PRODUCTION

Meat Packing Packers' purchases of all types of livestock in the first half of April were sharply below normal, partly because of the substantial number of meat-packing plants closed by the strike of

packing-house workers. The strike had been in effect for one month on April 16. A number of plants closed by the dispute made an attempt in mid-April to resume operations on a limited scale by seeking to employ laborers not affiliated with striking groups of employees.

Cattle slaughter in the District during the first quarter of 1948, as measured by packers' purchases, was about 26 per cent below the first quarter of 1947. Calf slaughter was down 34 per cent, hog slaughter 13 per cent, and sheep slaughter 3 per cent. Federally inspected slaughter of all types of livestock in the entire country during the first quarter was about 10 per cent below the same period a year ago. The reduced cattle slaughter reflects mainly fewer cattle on farms this year and the smaller number of cattle on feed in commercial feeding areas.

Meat supplies in retail stores have held up remarkably well considering the extent to which meat-packing operations have been reduced by the strike. Retail meat prices moved upward in late March and early April, indicating that while meat supplies were adequate they were not plentiful. At the same time, there was a marked withdrawal of meat from cold storage during March. The amount of beef that moved out of storage in this period was about 18 million pounds as compared with an average seasonal movement of 7 million pounds. Statistics indicate that a part of the large demand for meat is being met from cold storage stocks, although such a situation is not unusual in the spring when fresh meat production is at a seasonal low.

Flour Milling Flour milling operations in the Southwest at mid-April averaged 90 per cent of capacity as compared with 83 per cent during March. Operations in the Kansas City area were about 74 per cent of capacity and mills were grinding only 4 to 5 days per week. At the same time, one mill in Omaha was operating full time on a 7-day basis during the week ended April 10. In general, however, flour milling operations, and thus flour production, were being governed by the small volume of both domestic and foreign flour sales. There were indications that current flour production was somewhat in excess of current demands for flour, although mills with contracts for delivery of flour to the Government reported a generally satisfactory position with respect to production and sales.

Flour sales in the Southwest were estimated at 50 per cent of capacity at mid-April, with Government purchases accounting for about three fourths of this volume. Bakers and other large users were continuing their careful buying policy established in the closing weeks of 1947. It was reported that many sales

for 30 to 60-day delivery were made on a discount basis, a practice frequently used in the spring months. April flour sales are often made on the basis of a discount of 15 cents per hundredweight under quoted prices, while the discount for May sales is about 10 cents. Early in April several foreign countries purchased flour through commercial channels against their May allocations. Most mills reported that sales of family-packaged flour were at or above the levels of previous weeks.

Petroleum With the close of the winter heating season, the petroleum industry is immediately faced with the problem of supplying sufficient gasoline to meet the seasonal demand for motor fuel. It is reported that car registrations are at an all-time peak, with the average age of these cars approximately nine years. This promises to create a record demand for all available supplies of gasoline.

In its forecast of demand for crude oil during April, the United States Bureau of Mines pointed out that "compared with 1947, a material increase in seasonal stocks of heating oils, kerosene, and gasoline seems essential by the end of the year if fuel requirements for the winter season of 1948-49 are to be met adequately. Unless the estimates of product supply (as limited by refinery capacity available under present transportation and cost factors) can be increased, the probable potential demand for exports of refined products cannot be met and might have to be further reduced if domestic demand should prove larger than anticipated. If refinery operations in the second quarter are maintained at the highest possible level gasoline stocks will be conserved for use in the third quarter and an early rebuilding of depleted stocks of distillate fuel oils and kerosene may be possible. The pressure of gasoline demand in the third quarter may be so great as to prevent more than a normal increase in fuel-oil stocks during that period so that an unusual increase in the second quarter seems essential." Late in March it was reported that the output of kerosene was approximately 7 per cent of total refined products as refiners began to concentrate on gasoline production, with distillate fuel oil accounting for about 20 per cent. Further changes in the yield of refined products can be expected, as the seasonal increase in gasoline consumption definitely gets under way.

The Tenth District is continuing to expand its output of crude oil, with production 11 per cent higher during the first three months of 1948 than in the corresponding period last year. Output in Kansas during March, however, dropped 12 per cent below the level reported a year ago, as bad weather conditions severely handicapped production. A recent study of the Interstate Oil Compact Commission has disclosed

some interesting information on the efforts of Kansas producers to utilize their supply in the most efficient method possible. It is reported that water flooding operations in 12 counties of eastern Kansas will add approximately 50 million barrels of oil to the ultimate recovery of that area. In these counties there are now 81 reported water flood projects, covering more than 10,000 acres and utilizing approximately 2,000 water injection wells. From 1936 through 1947, the water flood projects accounted for about one third of the total oil production of the 12-county area.

Estimated gross crude oil production, based upon reports of the Oil and Gas Journal and the Bureau of Mines:

	Mar.	3 Mos.	Change from '47	
	1948	1948	Mar.	3 Mos.
	(Thousand barrels)		(Per cent)	
Colorado.....	1,430	4,213	+23	+26
Kansas.....	7,657	24,661	-12	0
Nebraska.....	14	46	-22	-22
New Mexico.....	3,995	11,464	+21	+22
Oklahoma.....	12,469	36,455	+6	+9
Wyoming.....	4,332	12,581	+24	+26
Six states.....	29,897	89,420	+5	+11
United States.....	165,445	485,463	+9	+12

Employment An estimated 57 $\frac{1}{4}$ million persons were employed in the nation in mid-March, according to the Bureau of the Census. This is only slightly higher than the level reported in February. Agricultural employment did not have the expected seasonal gain between February and March, as adverse weather conditions severely interfered with preparations for spring planting and other farming activity. Despite the fact that both agriculture and nonfarm industries showed little change in the number of workers, total man-hours worked in the nation increased substantially during March, after having been curtailed by the severe weather conditions and localized gas and fuel-oil shortages of the previous month. Unemployment declined slightly in March, dropping to 2,440,000 persons.

The labor market in the Tulsa area still continues strong, according to a recent report of the Oklahoma State Employment Service. The largest future additions to employment in that area are scheduled to be in the construction, transportation, public utility, and manufacturing fields. Employment is also expected to increase slightly during the next sixty days in the Topeka, Wichita, Kansas City (Kansas), and Hutchinson areas, with a seasonal expansion of contract construction work and of food processing industries. In Wichita, the major portion of the increase in employment is expected to occur in aircraft manufacturing concerns.

Outlook for employment in Wyoming appears better this spring than last. The principal upswings in

employment are expected to be concentrated in residential and commercial building, in heavy construction on roads, dams, and oil refineries, and in agriculture. Although the supply of sugar beet labor in Wyoming has shown considerable improvement during recent months, it is reported that beet growers in that state plan to reduce plantings this year approximately 10 per cent. Employment in manufacturing industries in Missouri during February numbered 349,900 workers, which was below the January level. Both durable and nondurable goods industries of Missouri reported declining employment in February, although the nondurables group remained at a level 3 per cent higher than in February a year earlier. It is reported that a shortage of skilled and technical workmen is developing in various parts of Kansas, with the state employment office unable to fill demands for many classes of experienced personnel. This is attributed largely to the present high level of employment in that state and particularly to the greater than seasonal increase in construction work.

AGRICULTURE

Crops Farm activities in the states of the District were restricted throughout March by adverse weather conditions. In most areas seedbed preparation and the seeding of spring crops were about three weeks later than normal. However, the favorable weather and soil conditions that prevailed after April 1 permitted rapid progress in spring plowing and seeding operations.

The development of wheat in the District is very uneven. Considerable uncertainty exists as to prospective wheat yields in those areas where wheat was planted late last fall. Although some vigorous spring growth of early seeded wheat was visible in many sections of the wheat belt, wheat that was seeded late last fall has in many areas not developed sufficiently to provide an adequate surface covering. As a result, high winds in early April dried surface soil quite rapidly, and soil blowing and wind damage to wheat have occurred in local areas in northeastern New Mexico and in central Kansas, Nebraska, and Oklahoma. A rather heavy rate of abandonment is expected in these sections where much of the late seeded wheat so far appears to be making an unsatisfactory growth.

The Department of Agriculture estimate of winter wheat production in 1948 indicates that the states included in the Tenth District will produce about two thirds as much wheat as in 1947. The indicated production for these states in 1948 is about 400 million bushels, which is down sharply from the 575 million bushels produced in 1947 but is still above the 10-year average production of 312 million bushels. The number of acres seeded to wheat in the fall of 1947 was

	RAINFALL			
	Mar. 1948	Mar. Normal	3 Mos. 1948	3 Mos. Normal
	(In inches)			
COLORADO				
Denver.....	1.62	1.04	3.50	2.00
Leadville.....	1.48	1.74	5.89	4.38
Pueblo.....	1.82	0.59	3.85	1.39
Lamar.....	1.10	0.83	1.86	1.66
Alamosa.....	0.26	0.27	1.40	0.66
Steamboat Springs.	1.82	2.19	4.90	6.89
KANSAS				
Topeka.....	4.51	1.98	6.56	4.19
Iola.....	4.57	2.45	7.48	5.45
Concordia.....	1.67	1.11	4.61	2.49
Salina.....	2.38	1.33	5.62	3.03
Wichita.....	1.51	1.63	3.70	3.58
Hays.....	2.43	0.88	4.33	1.99
Goodland.....	0.73	0.99	1.31	1.81
Dodge City.....	2.00	0.94	4.18	2.09
Elkhart.....	1.73	0.88	3.85	1.93
MISSOURI				
St. Joseph.....	3.73	2.48	5.33	5.43
Kansas City.....	4.84	2.31	6.31	5.10
Joplin.....	5.37	3.20	7.49	7.04
NEBRASKA				
Omaha.....	1.74	1.37	3.95	3.00
Lincoln.....	2.22	1.27	5.49	2.90
Norfolk.....	0.52	1.32	1.74	2.85
Grand Island.....	1.02	1.25	2.83	2.66
McCook.....	1.19	0.95	2.06	2.03
North Platte.....	0.60	0.86	1.05	1.78
Bridgeport.....	1.14	0.81	1.62	1.55
Valentine.....	0.50	1.02	0.91	2.05
NEW MEXICO				
Clayton.....	0.89	0.56	2.55	1.05
Santa Fe.....	0.87	0.74	2.82	2.16
Farmington.....	0.66	0.68	1.58	1.93
OKLAHOMA				
Tulsa.....	4.85	2.76	7.68	6.03
McAlester.....	3.39	3.10	8.44	7.98
Oklahoma City.....	6.18	1.98	9.85	4.28
Pauls Valley.....	3.31	2.17	7.83	5.25
Hobart.....	2.23	1.53	6.04	3.44
Enid.....	2.15	1.47	3.79	3.72
Woodward.....	2.07	1.38	5.27	3.18
WYOMING				
Cheyenne.....	0.41	1.02	1.56	2.11
Casper.....	0.40	1.15	1.46	2.46
Lander.....	1.10	1.19	2.78	2.42
Sheridan.....	1.02	1.16	3.40	2.73

only slightly greater than that in 1946, although there were considerable increases in acreage in Colorado, Missouri, Oklahoma, and Wyoming. Winter wheat production for the country as a whole in 1948 is estimated at about 861 million bushels, or about 200 million bushels below last year's crop.

Department of Agriculture winter wheat estimates:

	PRODUCTION			ACRES SEEDED		
	Indic. 1948	Final 1947	Aver. '36-'45	Crop 1948	Crop 1947	Aver. '36-'45
	(Thousand bushels)			(Thousand acres)		
Colo.....	51,338	56,494	17,333	2,702	2,549	1,263
Kans.....	159,280	286,702	158,441	14,480	15,404	13,629
Mo.....	30,624	24,438	25,015	1,914	1,472	1,926
Nebr.....	75,123	89,292	49,024	4,419	4,419	3,641
N. Mex...	2,985	9,120	2,761	597	702	390
Okla.....	75,450	104,734	57,681	7,545	7,118	5,162
Wyo.....	5,060	4,687	1,926	253	234	152
7 States..	399,860	575,467	312,181	31,910	31,898	26,163
U. S.....	860,521	1,067,970	653,893	58,648	58,068	47,464

Receipts of wheat and corn at principal markets in the District in the first three months of this year were

47 per cent and 64 per cent, respectively, below the same months in 1947. Reports indicate that there continues to be an inclination on the part of producers to hold wheat on farms or at country points rather than to offer it for immediate sale. From the standpoint of income, a considerable number of wheat producers reason that it may be advantageous to delay the sale of old crop wheat until such a time as the prospects for the new crop are more firmly established.

Livestock The number of cattle on feed April 1 in eleven Corn Belt states was down 25 per cent from the same date last year. Reductions in cattle feeding operations were very pronounced in Iowa and Nebraska, where declines from last year were estimated to be 28 and 32 per cent, respectively. Cattle feeding operations in northeastern Colorado are little changed from last year. Shipments of stockers and feeders into the Corn Belt states in the first quarter of 1948 were almost 50 per cent below a year ago. Steers comprise a larger proportion of cattle on feed this spring, possibly indicating some tendency to hold heifers for breeding operations.

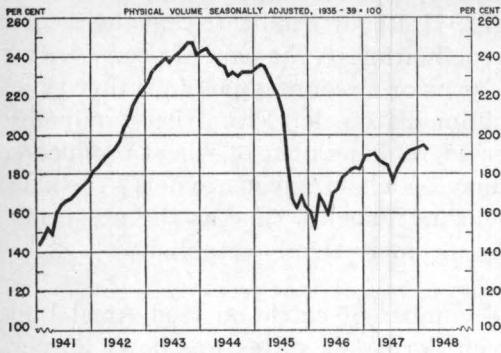
The leasing of Blue Stem pastures in Oklahoma and Kansas was approximately 90 per cent completed by April 1. Lease prices in Oklahoma ranged from \$7.00 per head for the season for young cattle to as high as \$15.00 for steers and cows. In Kansas, Blue Stem pasture lease prices usually vary from \$9.00 to \$12.00 for young cattle to \$16.00 for steers and cows. There have been reports of some pasture prices as high as \$20.00.

Receipts of livestock at leading markets in the District fell off sharply as the strike of packing-house workers went into effect on March 16. However, receipts of cattle for the month of March at these markets were 12 per cent larger than in February. Receipts of cattle and calves in the first quarter of 1948 were about 35 per cent below the same period in 1947. There was a marked increase in livestock receipts at most central markets after April 1 in spite of the reduced operations of meat-packing plants resulting from labor difficulties. Prices paid for livestock generally remained steady from the middle of March to the middle of April except for hog prices, which declined substantially. Top prices for all types of livestock have tended downward since the first of the year.

Top carlot livestock prices at Kansas City:

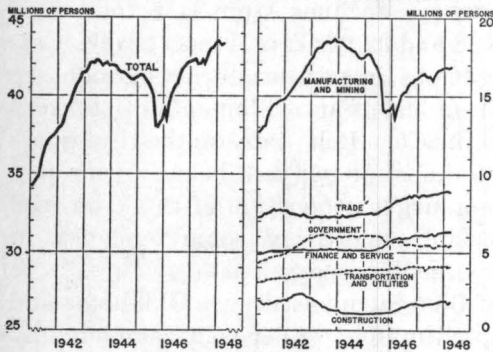
	Apr. 19 1948	Mar. 1948	Feb. 1948	Mar. 1947	Mar. 1946	Mar. 1945
	(In dollars per hundredweight)					
Beef steers.....	30.00	30.50	31.50	28.00	17.65	16.75
Stocker cattle.....	29.00	28.90	29.25	21.75	15.00	16.60
Feeder cattle.....	29.25	28.00	28.50	24.25	16.50	15.00
Calves.....	28.00	30.00	30.00	27.50	14.00	17.00
Hogs.....	20.50	25.25	27.00	29.10	14.55	14.50
Lambs.....	25.00	23.75	24.75	25.00	15.65	16.85
Slaughter ewes....	12.75	12.00	13.50	10.35	8.00	9.25

INDUSTRIAL PRODUCTION



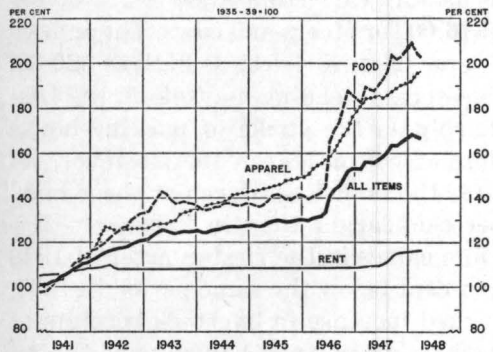
Federal Reserve index. Monthly figures, latest shown is for March.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS



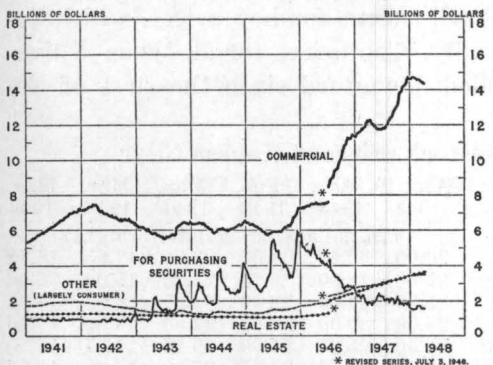
Bureau of Labor Statistics' estimates adjusted for seasonal variation by Federal Reserve. Proprietors and domestic servants are excluded. Midmonth figures, latest shown are for March.

CONSUMERS' PRICES



Bureau of Labor Statistics' indexes. "All items" includes housefurnishings, fuel, and miscellaneous groups not shown separately. Midmonth figures, latest shown are for March.

LOANS AT MEMBER BANKS IN LEADING CITIES



Excludes loans to banks. Wednesday figures, latest shown are for April 14.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

By the Board of Governors of the Federal Reserve System

Curtailed coal output reduced industrial production in March and the early part of April. Value of department store sales continued at a level about 6 per cent higher than in the corresponding period a year ago. The general level of wholesale commodity prices increased somewhat.

INDUSTRIAL PRODUCTION

Industrial production declined slightly in March owing to a sharp reduction in bituminous coal output after the middle of the month, and the Board's seasonally adjusted index was 192 per cent of the 1935-39 average as compared with 194 in February. Continuation of work stoppages at coal mines in April has reduced total industrial production further this month.

Production of durable manufactures increased in March, mainly because of larger output of steel and automobiles. Steel production for the month was at a new record peacetime rate. Steel mill operations were somewhat curtailed at the end of March because of reduced supplies of coal and declined considerably in the first three weeks of April. Activity in the automobile industry expanded in March to earlier postwar peak rates, after being curtailed by fuel shortages in February. Production of machinery and most other durable goods was maintained at about the level of the preceding months.

Output of nondurable goods industries as a group decreased slightly in March. Activity declined in the cotton textile, rubber products, coke, flour, and meat-packing industries, but increased in the rayon textile, paperboard, and alcoholic beverage industries. A substantial reduction in meat production under Federal inspection reflected work stoppages in plants of major packers beginning March 16. Paperboard production, following some curtailment in February, increased 7 per cent to a new record rate.

Output of minerals declined 10 per cent in March, reflecting a drop in coal production due to work stoppages at most mines beginning March 15. Coal mine operations continued at a very low level during the first two weeks of April, but subsequently increased sharply following settlement of an industrial dispute.

CONSTRUCTION

Value of construction contracts awarded, according to the F. W. Dodge Corporation, showed little change in March, as a decline in public awards offset a seasonal increase in private awards mainly for residential building. The number of dwelling units started in March, according to estimates of the Department of Labor, was 67,000 compared with 47,000 in February and 58,400 in March, 1947.

DISTRIBUTION

Department store sales in March and the early part of April showed little change from the average level of 284 per cent of the 1935-39 average for January and February, after allowance is made for the usual seasonal fluctuation. Value of department store stocks reached a new peak at the end of February, when the Board's seasonally adjusted index was 303 per cent of the 1935-39 average.

Work stoppages sharply reduced railroad shipments of coal and coke from the early part of March to the middle of April. Loadings of forest products and general merchandise continued to show little change.

COMMODITY PRICES

The general level of wholesale commodity prices increased somewhat from the beginning of March to the third week of April. Cotton prices advanced sharply reflecting prospects of increased exports. Meat prices were also higher, owing to reduced supplies as a result of the strike in the packing industry. Hog prices, on the other hand, declined considerably further. Prices of other farm products and foods and industrial commodities generally showed little change.

A further small reduction in retail food prices from mid-February to mid-March lowered the consumers' price index from 167.5 per cent of the 1935-39 average to 166.9. Retail prices of apparel and home furnishings and rental rates rose somewhat further.

BANK CREDIT

During the first three weeks of April, in contrast to the situation in March, the Government's cash payments exceeded receipts and the Treasury's balance at Federal Reserve Banks declined sharply. As a consequence, commercial bank reserves and deposits, which had been under severe drain in March, increased somewhat in April.

Total Government security holdings of the Reserve Banks declined further by about one-half billion dollars during the first three weeks of April, following a small decline in March. Treasury retirement in March and early April of 1.3 billion dollars of securities held by Reserve Banks was offset in part by System purchases in the market.

Real estate and consumer loans at banks in leading cities continued to expand during March and the first half of April, while commercial and industrial loans declined somewhat. Holdings of Government securities were reduced over the period.

SECURITY MARKETS

Prices of common stocks rose sharply in the last half of March and the third week of April. Trading in the New York Stock Exchange was more active. Prices of corporate bonds were firmer in the first three weeks of April, and prices of municipal bonds continued to advance.