

MONTHLY REVIEW

Agricultural and Business Conditions

TENTH FEDERAL RESERVE DISTRICT

VOL. 36, No. 4

FEDERAL RESERVE BANK OF KANSAS CITY

APRIL 30, 1951

CROP PRODUCTION IN 1951

Crop plantings for harvest in 1951 are being influenced to a very considerable extent by current world conditions. Agriculture is an important segment of the highly interrelated modern economy. It is the source of most of the raw material for the food and textile industries and provides raw material for many other industries. During periods of international tension, prices of raw materials usually increase because of sharp increases in demand. The production of war goods is emphasized. Production of consumer goods tends to decline because not enough resources are available to meet both civilian and military demand. Employment is high, incomes are high, and the amount of goods available for civilian consumption is relatively low. Under these circumstances, prices increase.

Agricultural products are basic in the conduct of a war. The swollen purchasing power generated by war production and finance, the need for food for the armed forces, and the food required to undertake relief and rehabilitation programs in war torn areas greatly increase the demand for food. This strong demand for agricultural products during wartime periods has been influential in causing the prices of agricultural products to increase during the past year. Supplies of most agricultural products are adequate or excessive for normal times, but anticipation of large future requirements and expanded current takings have caused prices to increase.

In view of the potentially large requirements for agricultural products, farmers are planning to increase production. It has been estimated that plantings of principal crops in the United States for the 1951 harvest may total 366,000,000 acres, allowing for duplications and numerous crops not yet surveyed. Such an acreage would be about 8,000,000 acres larger than that planted for harvest in 1950. If this increase is attained, it would mean that most of the acreage not planted to crops in 1950 would be in use this season.

The report of the United States Department of Agriculture on spring planting intentions of farmers reveals that they intend to decrease acreages planted to oats, barley, sorghums, flaxseed, hay, soybeans, potatoes, cowpeas, sweet potatoes, peanuts, and sugar beets. Increases are expected for corn, spring wheat, rice, tobacco, dry beans, and dry peas. Farmers already had increased the acreage seeded to winter wheat last fall, and the expectation is that cotton plantings this year will be increased substantially.

PLANTED ACREAGES

	United States		Per cent 1951 of 1950 (%)
	1951 Intended	1950 Actual	
Spring wheat.....	21,850	18,509	118.1
Corn.....	85,694	84,370	101.6
Oats.....	44,191	46,642	94.7
Barley.....	11,413	13,235	86.2
Flaxseed.....	3,921	4,064	96.5
Rice.....	1,931	1,620	119.2
Sorghums, all purposes.....	12,540	16,587	75.6
Potatoes.....	1,590	1,866	85.2
Sweet potatoes.....	444	573	77.5
Tobacco.....	1,745	1,594	109.5
Beans, dry edible.....	1,664	1,632	102.0
Soybeans.....	13,772	14,704	93.7
Peanuts.....	2,614	2,752	95.0
Hay.....	75,656	75,741	99.9
Sugar beets.....	887	1,013	87.6

The Bureau of Agricultural Economics emphasizes that the indicated acreages for 1951 are interpretations of reports from growers and are based on past relationships between such reports and acreages actually planted. The acreages actually planted in 1951 will be influenced by many factors including weather conditions, price changes, labor supply, financial conditions, adjustments suggested by Government agencies, and the effect of the crop report itself upon farmers' actions.

Current Conditions Conditions at present are favorable for large production of crops as a whole. Soil moisture is satisfactory except for an extensive area in the Southwest and for local areas

in other parts of the United States. Irrigation water supplies are adequate in northern areas but are very poor in New Mexico and Arizona.

Loss of farm boys and hired labor to the armed services and defense industries is causing concern about the adequacy of the labor supply. Shortages of farm labor for the spring planting season prevail in local areas although the supply, in general, is adequate. Severe shortages of labor are being anticipated by farmers for the harvest season. There are indications that farmers are shifting toward less intensive cropping and increasingly are substituting machinery for labor. Although the demand for farm machinery is large, machinery now available appears to be adequate for present needs. Much of the current demand for farm machinery is anticipatory.

A large proportion of crop production in the United States is utilized as feed for livestock. Livestock numbers have been increasing during the past two years. During 1950, the net increase amounted to 4 per cent. Although livestock numbers are increasing, the prospective plantings report indicates that farmers are intending to cut the acreage seeded to the feed grain crops. The indicated corn acreage was 1.3 million acres larger than last year, but declines of 2.5 million acres for oats, 1.8 million acres for barley, and 4 million acres for grain sorghums more than offset the increase in intended corn plantings. Increasing livestock numbers and a declining acreage of feed grain production could result in a substantial reduction in the current large stocks of feed grains. As a result, the United States Department of Agriculture has recommended a larger acreage of feed grains for 1951 than farmers have indicated that they intend to plant. Programs that encourage an expanded production and price supports for feed grains may cause acreage planted to these crops to be larger than that indicated in the prospective plantings report.

Currently, many uncertainties prevail. Farmers are being encouraged to undertake all-out agricultural production in order that the nation be in as favorable a position as possible in case of widespread war. In undertaking such a production program there is a tendency to increase current production at the expense of conserving resources for future use. In case of an extended period of world tension, increasing production by exploiting the use of resources would be inadvisable. Furthermore, if peaceful conditions should be achieved in the near future, many farmers would prefer to continue with a well-balanced program in which their resources are used most effectively in the long run. Yet, in case of a major war within the next few years, it would be necessary immediately to maximize agricultural produc-

tion. Currently, it is felt that stocks of agricultural products must be increased even though peaceful conditions could result in the production of some surplus agricultural products. The complexity of world conditions renders it extremely difficult to make production decisions at the present time.

Competition Among Crops for Land The desire for maximum production of most agricultural commodities has resulted in competition for the land by the different crops. Increased acreages devoted to cotton, wheat, and corn result in fewer acres remaining for the production of other crops. This competition of crops for land is causing a shifting of crop production not only within a given area but also between areas. For example, the anticipated increase in acreage to be planted to cotton has resulted in a decreased intended acreage for corn in the southern states. On the other hand, the favorable outlook for corn has caused farmers in the Corn Belt to increase the acreage devoted to that crop at the expense of crops that are not so well adapted to this area. Favorable prices for crops result in increased specialization in the production of those crops that are best adapted to a given area. Each crop tends to be produced to a greater extent in those areas where it is best adapted. Prospective plantings of grain sorghums are lower than last year because of the increased acreage of winter wheat and the probable increase in acreage to be seeded to cotton. The decrease in intended oat and soybean acreage is largely due to the increase in the corn and wheat acreage. Abandonment of a large acreage of winter barley, oats, and wheat, however, may result in larger than indicated seedings of grain sorghums and cotton in some areas.

Farm production appears to be shifting toward programs embracing grasslands, livestock, and grain operations on an extensive scale. Mechanization, ample supplies of most seeds, improved varieties of many crops, improved insecticides, chemical weed killers, and greater and more effective use of fertilizers all will help to maintain the upward trend of yields. Average or favorable weather conditions could result in near-record production of agricultural commodities during 1951. Low production of some individual commodities might occur but, as a whole, agricultural production should be large.

Tenth District In the seven states, all or parts of which are included in the Tenth District, farmers indicated in the "Intentions to Plant" report that they intended to increase the acreage planted to corn, spring wheat, hay, and soybeans. They reported intended decreases for oats, barley,

PLANTED ACREAGES

	Tenth District		Per cent 1951 of 1950 (%)
	1951 Intended (Thousand acres)	1950 Actual	
Spring wheat.....	302	298	101
Corn.....	16,352	15,874	103
Oats.....	7,132	8,078	88
Barley.....	1,788	2,524	71
Flaxseed.....	29	49	59
Hay.....	14,388	14,194	101
Sorghums, all purposes.....	5,979	6,935	86
Soybeans.....	1,723	1,624	106
Sugar beets.....	242	254	95

sorghums, flaxseed, and sugar beets. Since the data for the report were collected as of March 1, 1951, it has become evident that considerable abandonment of winter wheat acreage will occur this spring. Early seeded wheat has been severely damaged in large

areas of Colorado, Kansas, New Mexico, and Oklahoma. The acreage abandoned will either be planted to some other crop or fallowed. Since much of this land was fallowed last year, farmers will tend to plant grain sorghums on it because of rather abundant soil moisture supplies. In parts of Oklahoma, some of the abandoned wheat acreage will be seeded to cotton.

Moisture conditions have improved throughout most of the District in recent weeks. Production on individual farms will be low because of unfavorable weather conditions and damage to certain commodities from insects and diseases, but for the District as a whole agricultural production should be large if weather conditions are average or better through the growing season.

THE FEED GRAIN SITUATION

The "Prospective Plantings for 1951" report released by the United States Department of Agriculture indicates that the supply of feed grains—corn, oats, grain sorghums, and barley—available for 1951-52 will be smaller than the abundant supplies of the last two years. As of March 1, farmers indicated that they intended to plant 85.7 million acres of corn this spring. This would be only 1.6 per cent more than the small acreage planted in 1950, when allotments were in effect. Prospective plantings of other feed grains for 1951 are smaller than those for last year. Farmers have indicated that they intend to plant 5 per cent less oats, 14 per cent less barley, and 24 per cent less sorghums this year than last.

If farmers carry out these early intentions, and if yields by states should be about the same as the 1945-49 average, the total production of feed grains would be 118 million tons. Although this would be about one fifth larger than production just before World War II, it would fail by about 10 per cent of providing for the estimated requirements of 132 million tons for the 1950-51 feeding year. Unfavorable growing conditions, such as existed during 1947, would cause production to be about one fourth less than requirements, resulting in a complete depletion of our reserves and a curtailment of livestock production.

If the per acre yield of corn by states in 1951 is the same as the 1945-49 average, corn production on the prospective acreage would total about 3,050 million bushels. It is estimated that the carry-over of corn next October 1 will be around 550 million bushels. On this basis, the total supply of corn available for the 1951-52 feeding year would be 3.6

billion bushels. Corn requirements for 1950-51 are estimated at about 3.4 billion bushels. Consequently, the United States Department of Agriculture has asked farmers to increase the acreage devoted to the planting of feed grains.

FEED GRAIN SUPPLIES

Feeding Year	United States		
	Total supply feed grains (Million tons)	Grain con- suming animal units (Millions)	Supply per animal unit (Tons)
Average 1937-38 to 1941-42..	116.2	153.1	.76
1942-43.....	139.3	192.4	.72
1943-44.....	129.9	193.2	.67
1944-45.....	128.3	173.7	.74
1945-46.....	129.3	167.8	.77
1946-47.....	135.2	161.4	.84
1947-48.....	109.3	155.9	.70
1948-49.....	146.2	162.9	.90
1949-50.....	156.7	170.1	.92
1950-51.....	156.2	174.0	.90
1951-52.....	141.5	177.0	.80

According to the Bureau of Agricultural Economics, the estimated supply of feed grains on a per animal unit basis for the 1951-52 feeding year is quite large. Current supplies would be adequate if normal conditions prevailed. However, livestock numbers have been increasing and the high prices of livestock and livestock products have encouraged farmers to feed profusely during the past two years. These factors have caused the demand for feed grains to be strong. Regardless of the strong demand for feed grains, the acreage planted to barley, oats, and sorghums probably will be smaller because of the removal of acreage restrictions on the planting of wheat, corn, and cotton. As larger acreages are planted to wheat, corn, and cot-

ton, less land is available for the production of other crops.

Some private sources are indicating that a severe jolt could hit the livestock industry unless the acreage planted to feed grains is increased and weather conditions are favorable. Unfavorable weather conditions, with a tight supply of feed, could force farmers to liquidate part of their livestock. In such an event, livestock prices likely would be depressed temporarily and then would rebound as supplies of livestock products become scarce. Such a development would create instability in the livestock industry at a time when both farmers and consumers could be injured severely by fluctuating meat prices and supplies.

Corn During the past 20 years there has been a downward trend in corn acreage in the United States, while production has been increasing because of the upward trend in yields. During the 1930's, land seeded to corn averaged approximately 102 million acres annually. During the 1940's, corn seedings averaged about 90 million acres annually. Average production during the 1930's was about 2.3 billion bushels, compared with an average production of approximately 3 billion bushels during the 1940's. The higher production of the 1940's can be attributed chiefly to more favorable weather conditions, to the introduction of hybrid seed corn, to proper use of fertilizer, and to other good production practices. Another factor that has contributed to the higher average yields received in recent years has been the withdrawal of lower-producing land from corn production and a shift toward increasing acreage in the higher-producing areas. Much of the increase in yield obtained during recent years can be retained because of technological advancement; however, weather continues to be a potent factor in influencing corn production.

Grain Sorghums In the Tenth District, grain sorghums are an important source of livestock feed.

The acreage of grain sorghums harvested in the United States has varied considerably during the past 20 years. The general trend has been toward an increasing acreage of the crop. During the 1930's, the harvested acreage averaged approximately 4 million acres annually, compared with an annual average

of 6.6 million acres during the 1940's. Total production in recent years has varied from a low of 18.5 million bushels in 1934 to a high of 237.5 million bushels in 1950. Production of grain sorghums fluctuates considerably more than corn production, since a major portion of the crop is produced in the southern Great Plains area where weather hazards are more severe than in the Corn Belt.

Although farmers indicated that they intend to reduce the acreage seeded to sorghums by 24 per cent this season, changing conditions probably will cause the reduction to be less than that stated in the prospective plantings report. Subsequent to the issuance of this report, it has become apparent that abandonment of winter wheat acreage will be high in the sorghum production area. Beneficial rains have fallen throughout the area, and good moisture conditions will cause farmers to plant grain sorghums on much of the abandoned winter wheat acreage. With the anticipated tightness in the feed grain supply, grain sorghum is a good cash crop in those cases where the wheat crop has been destroyed.

Oats The acreage seeded to oats has remained rather stable during the past 20 years. The average annual acreage seeded during both the 1930's and 1940's was approximately 42 million acres. Production during the 1930's averaged about 1 billion bushels annually, compared with an average annual production of about 1.3 billion bushels during the 1940's. The increased yields during the 1940's can be attributed to more favorable weather, improved varieties, better rotations, and other technological advancements.

Barley The acreage seeded to barley has fluctuated considerably. During the past 20 years it has varied from a low of 11.2 million acres in 1949 to a high of 19.7 million acres in 1942. The acreage seeded to the crop has not followed a consistent trend, although plantings during the past six years have been relatively low. Since 1930, United States production has varied from a low of 117 million bushels during 1934 to a high of 429 million bushels in 1942. Although barley is not one of the most important feed grains, it is of considerable importance in certain parts of the Tenth District.

AGRICULTURAL AND BUSINESS CONDITIONS

WINTER WHEAT

A winter wheat crop of 726,512,000 bushels was forecast for the United States by the Department of

Agriculture in its April summary of crop conditions. This estimate is a reduction of 172,584,000 bushels from the initial forecast of 899,096,000 bushels based

on conditions as of December 1, 1950. Dry surface soil, severe winter weather, insect infestation, and plant diseases have combined to cause an estimated 23.4 per cent abandonment of acreage, with low yields probable on much of the acreage remaining for harvest. The indicated yield was placed at 12.9 bushels per seeded acre. This estimate compares with an estimated yield of 14.2 bushels per seeded acre for the corresponding date a year ago.

WINTER WHEAT PRODUCTION FOR 1951

	Estimated April 1 1951 (Thousand bushels)	Estimated December 1 1950	Per cent Increase or Decrease (%)
Colorado.....	34,430	48,202	-28.6
Kansas.....	152,218	202,958	-25.0
Missouri.....	24,416	22,672	+7.7
Nebraska.....	91,728	96,096	-4.6
New Mexico.....	1,400	5,600	-75.0
Oklahoma.....	41,880	77,316	-45.8
Wyoming.....	5,915	6,422	-7.9
Seven states.....	351,987	459,266	-23.4
United States.....	726,512	899,096	-19.2

The greatest amount of deterioration of the crop occurred in the southern Great Plains region. Texas, Oklahoma, New Mexico, southwestern Kansas, and southern Colorado report the largest losses. Generous rains have fallen over a major portion of this area since April 1, but in many of the fields plants had deteriorated to the point where they could not be revived. Fields that were in doubtful condition probably will receive considerable benefit from the moisture.

Cool spring weather has kept the wheat plants in a retarded state of growth. The weak plants have been susceptible to injury from insects and disease. Good growing weather would do much to improve the condition of the wheat crop.

Date of planting and seedbed preparation appear to be significant factors influencing the condition of the winter wheat crop this spring. Wheat seeded in the southern Great Plains area by August 15 is much more likely to be dead than is wheat seeded at a later date. Reports from farmers and research agencies indicate that on an average wheat seeded between September 10 and September 20 appears to have survived the winter in the best condition. Wheat seeded in firm seedbeds survived the winter in better condition than did that seeded in a loose seedbed.

FARM INCOME

The United States Department of Agriculture has estimated farmers' cash receipts from marketings for 1950 at 27.9 billion dollars, or 1 per cent less than receipts from farm marketings during 1949. A 6 per cent decline in physical volume of sales was largely offset by higher average prices.

Cash receipts of 15.6 billion dollars from livestock and livestock products were 1 per cent above their 1949 level, while cash receipts of 12.3 billion dollars from crops were 3 per cent less than those of 1949. Price increases for crops were a little larger than for livestock, but sales for a few of the important crops were significantly smaller. Changes in cash receipts from 1949 to 1950 by commodities ranged from an increase of 85 per cent for grapes to a decline of 30 per cent for potatoes.

CASH RECEIPTS FROM FARM MARKETINGS

	United States		Per cent 1950 of 1949 (%)
	1950 (Million dollars)	1949	
Meat animals.....	8,903	8,395	106
Dairy products.....	3,758	3,781	99
Poultry and eggs.....	2,741	3,038	90
Food grains.....	1,875	2,346	80
Feed crops.....	2,096	2,198	95
Cotton.....	2,367	2,637	90
Oil-bearing crops.....	876	800	110
Tobacco.....	1,091	904	121
Vegetables.....	1,571	1,817	86
Fruits and tree nuts.....	1,387	1,123	124
Other.....	1,256	1,088	115
Total.....	27,921	28,127	99

The Department of Agriculture estimates total realized net income from farming operations during 1950 at 13.0 billion dollars. This represents a decline of 8 per cent when compared with realized net income of 14.1 billion dollars for 1949. The realized net income of farmers is obtained by subtracting total expenses of production from gross farm income. Gross farm income includes the value of crops and livestock sold, placed under Government loans, or used in the farm home during the year, plus Government payments to farmers and the rental value of farm homes. Neither gross income nor realized net income includes the value of inventory changes during the year.

The farm income situation improved considerably during the last six months of 1950. The Bureau of Agricultural Economics expects realized net income of farm operators during 1951 to be higher than it was during 1950. Farmers' cash receipts from marketings during the first four months of 1951 are estimated at 8.3 billion dollars. This is an increase of 18.6 per cent over the 7.0 billion dollars received during the corresponding months of 1950. Farmers' costs during the first four months of 1951 averaged about 13 per cent higher than a year earlier. Cash receipts from livestock and livestock products during the first four months were estimated at 5.7 billion dollars compared with 4.4 billion dollars for last year. As the volume of livestock marketings was about the same as a year earlier, the increase in receipts can be attributed to generally higher livestock prices. Crop receipts were about the same as a year ago.

Cash receipts from farm marketings for the seven states of the Tenth District were 3 per cent lower in 1950 than in 1949. Wyoming and Nebraska had slightly higher receipts during 1950 than during 1949. Receipts for Kansas and Missouri were approximately the same, while those for New Mexico, Colorado, and Oklahoma declined. The large declines for Oklahoma and Colorado were caused by sharp decreases in receipts from crops. Cash receipts from livestock were higher in 1950 than in 1949 for all of the seven states. In those Tenth District states in which cash receipts for 1950 were lower than for 1949 the decreases in all cases were caused by decreased crop production.

CASH RECEIPTS FROM FARM MARKETINGS

	Tenth District		Per cent 1950 of 1949 (%)
	1950 (Thousand dollars)	1949	
Colorado.....	475,715	526,133	90
Kansas.....	1,000,790	1,004,215	100
Missouri.....	1,009,281	1,004,436	100
Nebraska.....	930,450	922,895	101
New Mexico.....	190,354	193,608	98
Oklahoma.....	526,723	603,236	87
Wyoming.....	138,423	136,054	102
Seven states.....	4,271,736	4,390,577	97

MEMBER BANK CREDIT

Coincident with the heavy tax payments in mid-March, there was a moderate shift of deposits out of District banks as Government balances tended to move to the larger centers of the country. This outward movement was more pronounced at reserve city banks where, in addition to other drains, interbank deposits were reduced as country banks met a part of their own drain with these balances. In the four weeks ended March 28, demand deposits other than interbank deposits declined by 48 million dollars at reserve city member banks and by 42 million at country member banks; the former class also lost an additional 58 million dollars in interbank deposits.

Loans continued to increase at both reserve city and country member banks between February 28 and March 28. In the former, the increase was 18 million dollars and in the latter, 10 million dollars. These continued demands from borrowers, when coupled with the deposit movement noted above, placed a considerable pressure on bank reserves, cash, and bank balances. These items declined by 31 million dollars at country member banks and by 53 million at reserve city members, where the largest part of the reduction was in items in process of collection.

Both reserve city and country member banks sold Government securities in the four-week period ended March 28. Country member banks disposed of 19 million dollars of these issues, in part for the purpose of re-establishing a more normal volume of excess reserves than the level existing in the middle of February. Sales of 67 million dollars of Government securities by reserve city banks were required, in the main, by the shift of deposits, their excess reserves being about the same on March 28 as they were four weeks earlier.

Judging on the basis of weekly reporting member banks, which include most of the reserve city member banks, loan volume continued to advance in the two weeks following March 28, with commercial, industrial, and agricultural loans and other loans, including loans to consumers, reaching new all-time high levels for this group of banks.

DEPARTMENT STORE TRADE

The dollar volume of department store sales in this District in March was 13 per cent above a year ago, while in the first half of April it was 2 per cent below last year. These changes reflect in part the variation in the date of Easter, which fell on March 25 in 1951 and on April 9 in 1950. Easter trade as a whole was about 7 per cent larger in dollar volume than a year ago but, allowing for price increases, physical volume was below last year. Reports in-

SELECTED ITEMS OF CONDITION OF TENTH DISTRICT MEMBER BANKS

(In millions of dollars)

	ALL MEMBER BANKS			RESERVE CITY BANKS			COUNTRY BANKS		
	Mar.28 1951	Feb.28 1951	Mar.29 1950	Mar.28 1951	Feb.28 1951	Mar.29 1950	Mar.28 1951	Feb.28 1951	Mar.29 1950
Loans and investments.....	4,679	4,735	4,519	2,584	2,631	2,456	2,095	2,104	2,063
Loans and discounts.....	1,986	1,958	1,694	1,182	1,164	940	804	794	754
U. S. Government obligations.....	2,219	2,305	2,401	1,144	1,211	1,285	1,075	1,094	1,116
Other securities.....	474	472	424	258	256	231	216	216	193
Reserve with F. R. Bank.....	872	870	732	545	535	449	327	335	283
Balances with banks in U. S.....	556	596	549	239	256	222	317	340	327
Cash items in process of collection.....	285	337	218	264	313	202	21	24	16
Gross demand deposits.....	5,381	5,530	5,044	3,074	3,180	2,790	2,307	2,350	2,254
Deposits of banks.....	809	868	782	745	803	722	64	65	60
Other demand deposits.....	4,572	4,662	4,262	2,329	2,377	2,068	2,243	2,285	2,194
Time deposits.....	688	683	688	370	364	367	318	319	321
Total deposits.....	6,069	6,213	5,732	3,444	3,544	3,157	2,625	2,669	2,575
Borrowings.....	20	20	15	15	17	14	5	3	1

dicade that the Easter season generally was disappointing, as cool weather this spring has not been favorable to the movement of seasonable merchandise such as apparel. Sales increased less than is usual from February to March, and the seasonally adjusted index of daily average sales declined further from 346 per cent of the 1935-39 average in February to 321 per cent in March as compared with the very high level of 395 last January.

Department store inventories increased sharply during March, and the seasonally adjusted index of stocks rose from 343 per cent of the 1935-39 average at the end of February to a new record level of 365 per cent at the end of March, exceeding by a considerable margin the previous high of 351 last

January. Stocks on hand on March 31 were 22 per cent larger in value than a year earlier, and the volume of outstanding orders was 59 per cent greater.

DEPARTMENT STORE SALES AND STOCKS

	SALES		STOCKS
	Mar.1951 comp. to Mar.1950	3 Mos.1951 comp. to 3 Mos.1950	Mar.31,1951 comp. to Mar.31,1950
	(Per cent increase or decrease)		
Denver.....	+11	+21	+27
Pueblo.....	+16	+24	+37
Hutchinson.....	+13	+20	+11
Topeka.....	+19	+28	+9
Wichita.....	+31	+38	+24
Joplin.....	+26	+34	+14
Kansas City.....	+17	+22	+18
St. Joseph.....	+12	+24	*
Omaha.....	+8	+20	+41
Oklahoma City.....	+3	+9	+24
Tulsa.....	+10	+19	*
Other cities.....	+15	+25	+12
District.....	+13	+21	+22

* Not shown separately but included in District total.

BANK DEBITS

	Mar.	3 Mos.	Change from '50	
	1951	1951	Mar.	3 Mos.
	(Thousand dollars)		(Per cent)	
COLORADO				
Colo. Springs.....	58,045	169,384	+40	+46
Denver*.....	765,781	2,163,202	+24	+29
Gr. Junction.....	18,905	54,166	+28	+35
Greeley.....	29,920	89,385	+34	+44
Pueblo*.....	54,076	155,868	+30	+36
KANSAS				
Atchison.....	11,963	35,270	+36	+33
Emporia.....	13,447	41,348	+25	+34
Hutchinson.....	44,954	130,685	+12	+13
Independence.....	8,216	24,253	+21	+23
Kansas City.....	91,920	258,355	+34	+32
Lawrence.....	13,545	37,559	+22	+21
Manhattan**.....	11,584	34,632	—	—
Parsons.....	8,942	26,775	+13	+21
Pittsburg.....	14,238	41,315	+32	+22
Salina.....	38,419	118,371	+28	+28
Topeka.....	111,162	321,699	+14	+19
Wichita.....	333,163	933,861	+27	+27
MISSOURI				
Independence**.....	12,862	37,808	—	—
Joplin.....	32,208	92,025	+20	+23
Kansas City.....	1,339,941	3,857,255	+26	+30
St. Joseph.....	118,720	361,503	+26	+32
NEBRASKA				
Fremont.....	19,578	63,717	+15	+32
Grand Island.....	30,821	86,944	+35	+30
Hastings.....	16,659	49,376	+29	+37
Lincoln*.....	100,844	286,984	+23	+23
Omaha.....	685,502	1,997,361	+36	+44
NEW MEXICO				
Albuquerque*.....	139,769	389,910	+25	+27
Santa Fe**.....	36,803	99,353	—	—
OKLAHOMA				
Bartlesville.....	179,260	497,060	+44	+32
Enid.....	37,373	110,869	+7	+2
Guthrie.....	5,486	15,967	+22	+24
Lawton**.....	19,212	53,665	—	—
Muskogee.....	28,757	85,469	+8	+17
Norman**.....	9,109	26,469	—	—
Okla. City*.....	435,780	1,217,473	+18	+17
Okmulgee.....	8,119	23,015	+8	+13
Ponca City.....	21,189	64,308	+3	+17
Tulsa.....	596,662	1,776,019	+27	+25
WYOMING				
Casper.....	37,040	107,028	+30	+29
Cheyenne.....	37,978	114,561	+10	+26
District, 40 cities*.....	5,577,952	16,050,267	+26	+29
U. S., 342 cities.....	144,077,000	396,517,000	+24	+24

* Dollar figures include one or more additional reporting banks, beginning January, 1951; however, percentage changes shown are computed from comparable data for both 1951 and 1950.

** New reporting center, beginning January, 1951.

NONFERROUS METALS

While shortages of some raw materials appear to be easing, there continues to be a short supply of copper, lead, and zinc. Restrictions on civilian consumption are being extended further as defense demand gains momentum. Domestic production is rising but imports have fallen off substantially, owing to the fact that prices in the United States currently are lower than prices in foreign markets.

Domestic prices for the refined metals, which have been unchanged since late last October, came under the general price freeze imposed in February. The import decline is greatest in the case of lead. January and February imports totaled 22,397 tons this year as compared with 60,478 tons in 1950, and industry sources predict that 1951 lead imports may decline by as much as one half. Foreign lead is priced abroad at 19 to 21½ cents a pound, while domestic lead is priced at 17 cents, New York basis. Moreover, lead import duties doubled at the first of the year. The discrepancy in domestic and foreign market prices is even greater in the case of copper and zinc. During the first quarter of the year, United States primary production of copper increased by 22,000 tons or 10 per cent from that in 1950 and total production by 1 per cent, while total imports declined 29,000 tons or by 25 per cent. The House has recently approved a bill to suspend the copper import duty of 2 cents a pound.

It is anticipated that the Office of Price Stabilization will announce ceiling price orders for both primary and secondary nonferrous metals in the near future. While some within the industry are fearful of the long-run implications for production, it is generally recognized that price ceilings should restore more normal price relationships between some

categories of primary metal and secondary metal. In the case of copper, for example, domestic scrap has been selling above the established price for the refined metal.

Restrictions on metal consumption have been extended to lead. The National Production Authority has announced that, beginning May 1, lead consumers will be limited, in any one month, to their average monthly use in the first half of 1950. This represents a substantial cutback, as lead consumption in recent months has been very high relative to the 1950 base period. Permitted inventories were reduced from 60 to 30 days' supply and the order also requires refiners and dealers to reserve up to 20 per cent of their supply in any month for defense orders.

The NPA has announced a controlled materials plan for three basic metals—steel, copper, and aluminum—which will be put into operation on July 1. The metals will be allotted directly to defense producers on the basis of their detailed requirements, submitted in advance. The NPA Administrator has stated that, since the defense program is actually taking large quantities of basic materials, the CMP is believed to be the best method of providing for orderly distribution of these materials. Material requirements are being evaluated on two bases: (1) the near-term, in which defense demand, defense-supporting demand, and full civilian demand are computed; and (2) all-out mobilization.

Aids to increased domestic metals production are moving into operation. An emergency priority has recently been granted to mining machinery and equipment manufacturers in order to provide them with adequate materials. On April 11, the Defense Minerals Administration announced regulations and terms under which the Government will help prospectors and mine operators finance the cost of searching for new ore supplies. For some of the most urgently needed minerals the Government will contribute up to 90 per cent of the exploration and development cost, and in the case of copper, lead, and zinc the contribution is 50 per cent, repayable out of production. Authority for this program is granted in the Defense Production Act which expires on June 30.

The DMA Administrator has reported that as of March 31 his agency had processed 21 major procurement contracts calling for increased production of copper, aluminum, zinc, titanium, molybdenum, cobalt, tin, manganese, and tungsten and had recommended for approval 61 certificates for accelerated tax amortization totaling 494 million dollars. The DMA also had under consideration loans approximating 175 million dollars for expansion of copper, nickel, antimony, chromite, fluorspar, iron ore, manganese, and zinc production.

In the Tenth District, work is nearing completion on the Colorado Leadville drainage tunnel. The project was initiated during World War II and revived last year. The 10,100-foot tunnel is expected to drain dozens of miles of rich underground workings containing lead, zinc, and manganese ores. Between 1860 and 1944, the value of metals produced in the Leadville district aggregated 462 million dollars, and drainage is expected to make extensive ore reserves again accessible.

EMPLOYMENT

Total civilian employment in the United States expanded by $1\frac{1}{4}$ million between February and March, owing to seasonal gains and rising defense production. A proportionately greater increase was shown among agricultural workers but, when March employment figures are compared with those for March a year ago, it can be seen that agricultural employment has declined by 4 per cent while nonagricultural employment has risen $5\frac{1}{2}$ per cent. This is indicative of the expansion in industrial activity that has occurred since the outbreak of war in Korea, manufacturing employment by February, 1951, reaching its highest level since June, 1945. Military mobilization has also reduced the available labor supply, and March unemployment was only about half that in March, 1950.

These national employment shifts are repeated in the Tenth District states. Nonagricultural employment began its normal spring rise in March while local employment offices warned of a coming labor shortage. In Nebraska, increased manpower needs caused the hiring of more women, and there was a growing shortage of unskilled as well as skilled labor and of agricultural workers. It was reported that rising employment in Wyoming is reducing the available labor supply earlier this spring than in previous years. The state Employment Security Commission paid out less in unemployment benefits during March than during February for the first time since 1943. General labor shortages are anticipated in most Wyoming communities by May.

Among the District states, Kansas is experiencing the greatest employment boom, and March unemployment was 57 per cent below the level of a year ago. The rapid rise in manufacturing employment has centered at Wichita, seat of the aircraft industry, where the number of manufacturing workers has been increased by 73 per cent since March of 1950. February manufacturing employment figures are available for several of the District states and the gains shown over the year are as follows: Kansas, 25 per cent; New Mexico, 19 per cent; Nebraska, 12 per cent; Missouri, 11 per cent; and Oklahoma, 10 per cent.