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THE GROWTH OF SMALL CITIES IN THE TENTH DISTRICT

Urban growth and economic development have gone hand in hand throughout the history of the economy of the United States. Trade, finance, manufacturing, and government are largely urban activities, and the relative increase in their economic importance through the years has been reflected in a gradually increasing concentration of the population in urban communities. After the extension of wheat farming in the Great Plains region was completed about 1930, population growth in the Plains states of Nebraska, Kansas, and Oklahoma has been chiefly in urban areas. In the older settled farming areas of the Midwest, such as those in Iowa and Missouri, rural population has not grown since around 1900. On the other hand, in the Rocky Mountain states of Colorado, New Mexico, and Wyoming, rural population has continued to expand, although at a less rapid rate than urban growth. It is relevant, therefore, to investigate the pattern of growth of urban communities in these regions as a key to understanding the course of economic development.

A comparative analysis of the growth of 63 small cities between 10,000 and 50,000 in size located in the Tenth District is presented in the following paragraphs. This carries forward the study of urban growth initiated with the analysis of 11 metropolitan areas presented in the *Monthly Review*, September 30, 1951. These metropolitan areas and small cities contain 51 per cent of the population of the Tenth District; the small cities alone account for 14 per cent of the total. Only those cities with more than 10,000 population in the 1950 Census within their corporate limits and located outside metropolitan areas are included in this discussion. Fringe populations are important to a number of communities; however, no precise data are available on their size.

Growth by Regional Groups The 63 small cities have been grouped together in six geographic areas to bring out differences in growth which may be associated with their natural

settings. The states which make up the Tenth District contain several regional transitions-from the Corn Belt and Cotton Belt to the Winter Wheat Belt and, progressing westward, ultimately to the livestock ranges and the Rocky Mountains. Accordingly, the cities have been grouped in areas of common economic characteristics, chiefly by generalized typeof-farming areas. Ten cities in eastern Nebraska and northeastern Kansas are located in the Corn Belt. Nine are found in the Tri-State Industrial District and general farming area of southeastern Kansas, southwestern Missouri, and northeastern Oklahoma. The Blue Stem pasture lands of the Flint Hills in Kansas and the Osage country in Oklahoma support five cities. Thirteen are situated in the cotton, wheat, and general farming areas in southern and central Oklahoma. Sixteen of the cities are located in the Winter Wheat Belt, the Great Plains grazing ranges, and several irrigated farming areas in western Kansas. Nebraska, and Oklahoma and in eastern Colorado and Wyoming. Farther west, ten of the cities are found in the Rocky Mountain region of Colorado, Wyoming, and New Mexico. The delineation of these areas and the cities located within each one are shown in the map on pages 6 and 7.

Information on the growth of population and of employment in manufacturing and retail trade is presented for the 63 small cities in Table 1 in comparison with similar data for the 11 metropolitan areas in the Tenth District and for the entire United States. The population of the 63 small cities increased 9 per cent from 1930 to 1940, a slightly more rapid rate than for the metropolitan areas or the United States. When the small cities are grouped by regions, only those in the Cotton Belt, Great Plains, and Rocky Mountain groups expanded more rapidly than the metropolitan areas. The rate of growth of the ten Rocky Mountain cities during the decade was more than twice as great as the average for all of the small cities. The Tri-State Industrial District cities showed the least disposition to expand.

Table 1. POPULATION, MANUFACTURING PRODUCTION WORKERS, AND RETAIL EMPLOYMENT IN SMALL CITIES

Area	Population	% Ch	ange	Mfg. Production	% Change	Retail Em-	% Change
CORN BELT Atchison, Kansas Lawrence, Kansas Ottawa, Kansas Ottawa, Kansas Beatrice, Nebraska Fremont, Nebraska Grand Island, Nebraska Hastings, Nebraska Norfolk, Nebraska	$\begin{array}{r} \underline{1597}\\ 159,721\\ 12,792\\ 23,351\\ 20,579\\ 10,081\\ 11,813\\ 14,762\\ 22,682\\ 20,211\\ 12,115\\ 11,335\end{array}$	$\begin{array}{r} 1330 + 40 \\ \hline + 4.1 \\ - 2.9 \\ + 4.8 \\ + 10.0 \\ + 6.6 \\ + 5.7 \\ + 4.0 \\ + 6.0 \\ - 2.2 \\ + 12.5 \\ - 2.1 \end{array}$	$\begin{array}{r} 1340-50 \\ +19.5 \\ +11.1 \\ +62.3 \\ +7.1 \\ -1.1 \\ +8.5 \\ +24.4 \\ +18.6 \\ +33.4 \\ +25.6 \\ +8.1 \end{array}$	$\begin{array}{r} \text{Workers, 1547} \\ \hline 7,269 \\ 1,358 \\ 690 \\ 1,098 \\ 615 \\ 1,100 \\ 534 \\ 588 \\ 745 \\ 208 \\ 333 \\ \end{array}$	$\begin{array}{r} 152341\\ +26.5\\ +36.1\\ +69.5\\ -5.5\\ +122.0\\ +49.1\\ +19.5\\ -0.2\\ +20.6\\ +71.9\\ -14.8\end{array}$	$\begin{array}{r} \begin{array}{c} 9,664\\ 665\\ 1,142\\ 778\\ 564\\ 735\\ 1,084\\ 1,581\\ 1,308\\ 815\\ 992 \end{array}$	$\begin{array}{r} 1525-43\\ +18.3\\ -13.2\\ +28.3\\ -18.9\\ +3.9\\ -7.7\\ +51.2\\ +24.8\\ +27.7\\ +54.6\\ +45.7\end{array}$
TRI-STATE INDUSTRIAL DISTRICT Chanute, Kansas Coffeyville, Kansas Fort Scott, Kansas Independence, Kansas Parsons, Kansas Pittsburg, Kansas Carthage, Missouri Joplin, Missouri Miami, Oklahoma	$\begin{matrix} 144,683\\ 10,109\\ 17,113\\ 10,335\\ 11,335\\ 14,750\\ 19,341\\ 11,188\\ 38,711\\ 11,801 \end{matrix}$	$\begin{array}{r} +2.4 \\ -1.3 \\ +7.1 \\ -1.9 \\ -9.5 \\ -4.1 \\ -3.2 \\ +8.7 \\ +11.0 \\ +3.5 \end{array}$	$\begin{array}{r} +5.2 \\ -0.3 \\ -1.4 \\ -2.1 \\ +3.2 \\ +10.1 \\ +5.7 \\ +4.2 \\ +41.4 \end{array}$	$12,776 \\ 604 \\ 3,323* \\ 648 \\ 3,323* \\ 468 \\ 1,094 \\ 4,663* \\ 5,203* \\ 1,436$	$^{+10.6}_{-2.2}$ $^{-0.3}_{-17.0}$ $^{-0.3}_{-59.9}$ $^{-19.9}_{+24.6}$ $^{+27.8}_{+488.5}$	$9,151 \\ 589 \\ 1,083 \\ 606 \\ 626 \\ 813 \\ 1,254 \\ 656 \\ 2,835 \\ 689 \\ $	+24.0 +9.9 +51.9 +0.7 -10.1 +20.1 +11.8 +46.1 +37.9 +30.7
FLINT HILLS – OSAGE El Dorado, Kansas Emporia, Kansas Junction City, Kansas Manhattan, Kansas Bartlesville, Oklahoma	78,452 11,037 15,669 13,462 19,056 19,228	$+5.3 \\ -2.6 \\ -6.3 \\ +14.9 \\ +15.0 \\ +10.2$	+31.5 +9.9 +18.8 +58.2 +63.4 +18.2	2,777 1,080 280 115 196 1,106	+18.9 +22.6 +77.2 -42.5 +43.1 +15.3	$\begin{array}{c} 4,569 \\ 705 \\ 1,072 \\ 740 \\ 1,121 \\ 931 \end{array}$	+30.9 +20.9 +5.8 +94.2 +62.9 +12.8
COTTON AND GENERAL FARMING. Ada, Oklahoma. Ardmore, Oklahoma. Chickasha, Oklahoma. Duncan, Oklahoma. El Reno, Oklahoma. Muskogee, Oklahoma. Muskogee, Oklahoma. Norman, Oklahoma. Okmulgee, Oklahoma. Sapulpa, Oklahoma. Seminole, Oklahoma. Shawnee, Oklahoma.	$\begin{array}{c} 259,132\\ 15,995\\ 17,890\\ 15,842\\ 15,325\\ 10,991\\ 34,757\\ 17,878\\ 37,289\\ 27,006\\ 18,317\\ 13,031\\ 11,863\\ 22,948 \end{array}$	$^{+7.9}_{+34.5}_{+7.3}_{+0.1}_{+0.1}_{+10.1}_{+7.4}_{+49.0}_{+5.1}_{+1.0}_{+19.0}_{+19.0}_{-6.1}_{-6.1}_{+16.3}_{+0.8}_{-5.3}$	$\begin{array}{r} +28.6\\ +5.6\\ +5.9\\ +12.3\\ +66.4\\ +92.5\\ +44.2\\ +136.3\\ +14.1\\ +6.4\\ +2.7\\ +4.1\end{array}$	8,895 895 328 352 902 272 312 297 1,333 91 2,038 1,314 183 578	$\begin{array}{r} +17.9 \\ +50.7 \\ -32.5 \\ -15.6 \\ +317.6 \\ -47.4 \\ +77.3 \\ -42.8 \\ -4.4 \\ +15.2 \\ +74.5 \\ +45.8 \\ +8.3 \\ -36.5 \end{array}$	$13,379 \\969 \\1,133 \\888 \\840 \\552 \\1,586 \\1,039 \\2,081 \\1,063 \\805 \\479 \\619 \\1,325$	$\begin{array}{r} +26.4 \\ +67.9 \\ +36.8 \\ +37.0 \\ +88.8 \\ +19.5 \\ +105.4 \\ +49.7 \\ +14.4 \\ +108.4 \\ -21.9 \\ -20.0 \\ -20.9 \\ -6.8 \end{array}$
GREAT PLAINS. Greeley, Colorado. Arkansas City, Kansas. Dodge City, Kansas. Garden City, Kansas. Great Bend, Kansas. Hutchinson, Kansas. Newton, Kansas. Winfield, Kansas. Winfield, Kansas. Worth Platte, Nebraska. Scottsbluff, Nebraska. Enid, Oklahoma. Guthrie, Oklahoma. Guthrie, Oklahoma. Stillwater, Oklahoma. Cheyenne, Wyoming.	$\begin{array}{c} 296,468\\ 20,354\\ 12,903\\ 11,262\\ 10,905\\ 12,665\\ 33,575\\ 11,590\\ 26,176\\ 10,264\\ 15,433\\ 12,858\\ 36,017\\ 10,113\\ 20,180\\ 20,238\\ 31,935 \end{array}$	$\begin{array}{c} +11.1\\ +31.1\\ -8.6\\ -15.6\\ +2.7\\ +63.0\\ +10.8\\ +0.1\\ +4.6\\ +1.1\\ +3.1\\ +42.4\\ +6.4\\ +4.6\\ +4.1\\ +43.9\\ +29.5\end{array}$	$\begin{array}{c} + 25.5 \\ + 27.3 \\ + 1.2 \\ + 32.7 \\ + 73.5 \\ + 40.0 \\ + 11.9 \\ + 4.9 \\ + 24.2 \\ + 8.0 \\ + 24.2 \\ + 6.6 \\ + 28.3 \\ + 0.9 \\ + 20.2 \\ + 100.4 \\ + 42.1 \end{array}$	$13,780 \\ 1,081 \\ 1,380* \\ 205 \\ 238 \\ 407 \\ 2,124 \\ 271 \\ 868 \\ 1,380* \\ 327 \\ 1,034 \\ 1,431 \\ 108 \\ 3,289 \\ 619 \\ 398 \\ 130 \\ 100 \\ 398 \\ 100$	$\begin{array}{r} +22.8\\ +1.4\\ +17.1\\ +89.8\\ +116.4\\ -21.6\\ +51.6\\ -49.1\\ +16.0\\ +17.1\\ -30.3\\ -\\ +30.8\\ -59.4\\ +73.2\\ -18.3\\ -62.9\end{array}$	$\begin{array}{c} 20,023\\ 1,489\\ 744\\ 1,070\\ 938\\ 964\\ 2,383\\ 762\\ 2,098\\ 671\\ 1,018\\ 1,002\\ 2,483\\ 480\\ 1,050\\ 949\\ 1,922 \end{array}$	$\begin{array}{r} +53.0 \\ +53.0 \\ +80.5 \\ +5.7 \\ +39.5 \\ +133.3 \\ +170.8 \\ +18.4 \\ +14.2 \\ +49.9 \\ +33.1 \\ +48.8 \\ +119.7 \\ +50.3 \\ +0.4 \\ +44.6 \\ +192.0 \\ +70.1 \end{array}$
ROCKY MOUNTAINS Boulder, Colorado Colorado Springs, Colorado Fort Collins, Colorado Grand Junction, Colorado Trinidad, Colorado Santa Fe, New Mexico. Casper, Wyoming Laramie, Wyoming Rock Springs, Wyoming Sheridan, Wyoming	$196,725 \\19,999 \\45,472 \\14,937 \\14,504 \\12,204 \\27,998 \\23,673 \\15,581 \\10,857 \\11,500$	$^{+19.5}_{+15.5}_{+10.7}_{+6.6}_{+21.8}_{+12.7}_{+8.1}_{+8.1}_{+23.4}_{+16.4}_{+23.3}$	+25.3 + 54.3 + 23.6 + 21.9 + 16.2 - 7.7 + 37.8 + 31.8 + 46.6 + 10.5 + 9.2	$\begin{array}{c} 6,156 \\ 780 \\ 1,207 \\ 1,035 \\ 577 \\ 352 \\ 340 \\ 953 \\ 497 \\ 29 \\ 386 \end{array}$	$+20.6 \\ +38.3 \\ +29.4 \\ +13.1 \\ +41.4 \\ -37.1 \\ +729.3 \\ -35.4 \\ -91.5 \\ -32.2$	$12,306\\887\\3,236\\881\\1,271\\626\\1,525\\1,604\\707\\673\\896$	$\begin{array}{r} +46.9\\ +32.6\\ +32.6\\ +31.3\\ +57.5\\ -18.4\\ +180.3\\ +84.2\\ +19.8\\ +37.9\\ +69.1\end{array}$
TOTAL, 63 CITIES 11 METROPOLITAN AREAS UNITED STATES	$1,135,181 \\ 3,101,759 \\ 150,697,361$	$^{+8.9}_{+6.7}_{+7.2}$	$^{+22.7}_{-27.9}_{+14.5}$	51,653 174,094 11,916,188	$^{+18.7}_{+39.0}_{+42.4}$	69,092 167,592 5,608,398	+35.2 + 39.4 + 46.3

*County data. Asterisks indicate that county figure has been used also for another city. Totals include such county figures only once. Source: Census of Population, 1950; Census of Business, 1948; and Census of Manufactures, 1947.

In the period from 1940 to 1950, while the small cities were growing more rapidly than the United States, their rate of increase was exceeded by the rate in the metropolitan areas. Urban growth and total population increase in the entire country moved more rapidly during the 1940's than they did in the preceding decade. Population in all of the groups of cities, with the exception of the Tri-State Industrial District, grew more rapidly than it did in the United States. The Flint Hills-Osage and Cotton Belt cities showed a faster rate of growth than the 28 per cent expansion which occurred in the 11 metropolitan areas. It is probable, however, that the cities in those two areas exhibit a higher rate only because of a change in the method of enumerating college and university students adopted in the 1950 Census.

Prior to 1950, college and university students away from home were enumerated at their parental residences rather than at the places in which they were attending school. In order to reflect more accurately the actual size of the college and university towns and also in order to parallel the practices followed in enumerating other groups of persons away from their permanent residences (such as members of the armed forces), the Census procedure was altered in 1950 to count all college students in the college towns. The result was to make the 1950 Census of Population noncomparable with previous Census tabulations. This change was not significant in the case of states and most metropolitan areas. However, the population count of many smaller college and university towns was materially affected and in some cases the rate of increase from 1940 to 1950 was grossly overstated. Since a number of the communities in the Tenth District were obviously influenced by this change in procedure, an effort was made to adjust the 1940 Census figures to the same basis used in 1950 by adding estimates of nonresident students to the 1940 population counts for college towns.¹ The effect of the adjustment on the population changes of the small cities is shown in Table 2 for those cases in which the population change from 1940 to 1950 was altered by more than 5 percentage points. In the subsequent discussion, whenever the population changes of these cities are mentioned, the adjusted figures are used. These adjustments reduce the esti-

ADJUSTMENT OF POPULATION CHANGES, 1940 TO 1950, Table 2. FOR COLLEGE AND UNIVERSITY TOWNS*

	Per Cent Change Census Figures	Per Cent Change Adjusted
Lawrence, Kansas	+62.3	+31
Kearney, Nebraska	+25.6	+19
Emporia, Kansas	+18.8	+8
Manhattan, Kansas	+63.4	+28
Chickasha, Oklahoma	+12.3	+6
Norman, Óklahoma	+136.3	+57
Greelev, Colorado	+27.3	+20
Stillwater, Oklahoma	+100.4	+36
Boulder, Colorado	+54.3	+24
Fort Collins, Colorado	+21.9	+9
Laramie, Wyoming	+46.6	+28

*Where adjustment alters per cent change by more than five percentage points.

mated population increases from 1940 to 1950 to 16 per cent for the Corn Belt cities, 22 per cent for those in the Flint Hills-Osage country, 24 per cent in the Cotton Belt, 23 per cent in the Great Plains, and 20 per cent in the Rocky Mountains; the Tri-State Industrial District increase is unaltered at 5 per cent. With the adjustments to the 1940 population made for the eleven college towns shown in Table 2, the increase for all 63 cities during the decade becomes 19 per cent.

The development of manufacturing in the small cities during the last two decades lagged considerably behind that which took place in the 11 metropolitan areas in the Tenth District or in the United States as a whole. The number of production workers engaged in manufacturing in the counties containing the 63 small cities rose by 19 per cent from 1929 to 1947 in comparison with an increase of 39 per cent in the metropolitan areas and 42 per cent in the entire United States. The ten Corn Belt cities experienced a 27 per cent expansion, which was the highest rate of growth among the various groups. In the cities in the Tri-State Industrial District, the growth was only 11 per cent. The other four areas showed increases ranging from 18 to 23 per cent.

As in the case of manufacturing employment, the expansion of jobs in retail trade in the small cities was not as rapid as in the metropolitan areas or the nation, but the lag was not nearly so pronounced. Data on the number of employees in retail trade for 1948 are not strictly comparable with those for 1929 (since the 1948 data refer to the number employed during the full workweek ended nearest November 15, while the 1929 figures are for the average number employed during the year) ; however, a comparison of the changes among the various areas is indicative of the relative changes that have occurred. Increases in retail employment from 1929 to 1948 closely followed population changes, with the exceptions of the Tri-State Industrial District and the Great Plains, where it grew much faster than population. The explanation probably lies in a more rapid

¹ These estimates were arrived at by obtaining 1940 net enrollment data and estimates of resident students from the colleges. The estimates of resi-dent students were checked independently by estimating the number of resident students were checked independently by estimating the number of resi-dents of the communities who were attending college from data in the 1940 Census on school attendance by age groups. It must be emphasized, how-ever, that the accuracy of the adjustments is largely dependent on the ac-curacy of the college enrollment figures. No effort was made to subtract students away at college from the population of the cities because the effect it would have would be relatively unimportant. An attempt to adjust the 1950 Census figures back to the "old basis", which did not include nonresident students in the college towns, was abandoned because of the expansion of many colleges beyond the city limits after World War II. This made it impossible to know how many of the students enrolled had been counted in the city enumeration. This type of adjustment, however, would be feasible on a county basis.

growth of income in those regions and the increase in the practice of commuting by automobile from the surrounding territory to make purchases within the cities.

These comparisons indicate the general course of economic development for the entire group of 63 cities and the various area groupings. In order to gain more specific information on the sources of economic expansion, it is necessary to explore in greater detail the relationship between population growth and particular economic activities, such as manufacturing, mining, government, and retail and wholesale trade. Some cities are almost exclusively occupied in a single type of undertaking; others are more diversified. Growth rates in the different localities have been determined in many instances by the prevailing type of specialization.

Manufacturing In addition to exhibiting only about half the rate of growth in manufacturing employment that was shown by the larger metropolitan areas and the United States as a whole, the small cities in general possess a narrower base of manufacturing activity. Few of them contain as high a ratio of manufacturing workers per hundred population as do the metropolitan areas, as is shown in Table 3 for those containing the highest concentrations of manufacturing. As a group, these 13 manufacturing cities also have had a somewhat slower rate of growth in population than all 63 small cities together—4 per cent in comparison with 9 per cent during the decade of the 1930's and 8 per cent in comparison with 19 per cent in the 1940's. The increase of manufacturing jobs from 1929 to 1947 was most significant in Ponca City, Miami, Carthage, Hutchinson, Okmulgee, and Duncan. On the other hand, manufacturing exerted a contracting influence

Table 3. LEADING MANUFACTURING CENTERS

	Number of			
	production workers			
	in manufacturing 194			
	per 100	population.	1950	
	County		City	
Atchison, Kansas	6,3		n.a.	
Ottawa, Kansas	3.1		5.8	
Beatrice, Nebraska	3.9		7.0	
Coffeyville Kansas	71		0.2	
Fort Scott Voncor	0.4		9.0	
Dittelement	3.4		6.1	
Pittsburg, Kansas	2.7		4.6	
Carthage, Missouri	5.9		9.1	
Joplin, Missouri	4.9		4.7	
Miami, Oklahoma	44		na	
Okmulgee, Oklahoma	46		21	
Arkansas City Kansas	37		5.5	
Hutchingon Vangag	2.0		0.0	
Demos Otta Ollaham	0.9		D.Z	
Ponca City, Oklahoma	6.7		1.5	
63 Small Cities	2.4		na	
11 Metropolitan Areas	56		11.00.	
Inited States	0.0		II.a.	
United Brates	1.9		n.a.	
n.a. Not available.				

during the period in Cheyenne and Parsons. The reactivation of the ordnance plant now under way at Parsons, however, will more than compensate for the decrease and provide a tremendous stimulus to that locality.

The chief manufacturing industry found in the small cities involves the processing of food and kindred products. There were 40 plants in the counties containing the 63 small cities engaged in that industry employing more than 100 workers in 1947. Half of them were located in the Great Plains area, and ten in the Corn Belt. Many of these plants, such as the ones engaged in the manufacture of dairy products, served the needs of the particular localities in which they operated. There were 14 petroleum refineries located in the small cities. The most important refining centers are Ponca City, El Dorado, Casper, Duncan, Coffeyville, and Enid. Sixteen large machinery plants were found in the cities, most of them in the Corn Belt and Tri-State Industrial District. Twelve of the 16 large stone, clay, and glass manufacturing establishments found within small cities were located in or near Cotton Belt and Tri-State Industrial District cities. Tri-State Industrial District cities also claimed seven of the eleven chemical plants and seven of the nine apparel plants operating in the small cities. Among the other industry groups in the small cities, there were six fabricated metal products plants which employed over 100 workers each, four primary metal, and four transportation equipment plants.

Petroleum Bartlesville and Ponca City, Oklahoma, **Production** have been greatly stimulated in their growth by the presence of the adminis-

trative offices of large oil companies. Oil drilling and pipeline operations have also had a significant influence on the recent development of Great Bend, Ardmore, Duncan, and Casper. In the past, oil has shaped the history of El Dorado and Seminole. All but three of these communities have sizable refineries. Oil production frequently provides for the rapid expansion and subsequent contraction of urban communities as drilling activity mounts and declines. This is illustrated in the case of the cities mentioned. Several have boomed in population during the last decade—especially Duncan and Great Bend—but the group as a whole has grown at approximately the same rate during the past two decades as all 63 small cities combined.

Coal, Lead, and In recent years employment in coal Zinc Mining mining has been declining in most fields in the Tenth District like it has in the nation generally. Only two of the small cities, Rock Springs, Wyoming, and Trinidad, Colorado, are almost wholly dependent on coal mining at the present time. Trinidad has lost population during the last few years as its mining operations have been curtailed. Twenty years ago Pittsburg, Kansas, was in the center of the most active coal field in the District and owed much of its existence to mining. Since that time the number of miners employed within the immediate area (Crawford County) has decreased by more than 3,000; fewer than 600 men are engaged currently in the extraction of coal. As a consequence, it has been necessary for Pittsburg to redirect its economic endeavors along other lines in order to hold its population. A marked decline in the importance of coal mining also occurred in the McAlester area during the 1930's. However, in that community the opening of the Naval Ammunition Depot in the 1940's provided more than an offsetting volume of employment opportunities. Coal mining is a small but important activity in the Sheridan. Wyoming. area.

In addition to coal mining, the decline in lead and zinc mining has exerted a contractive influence on the cities in the Tri-State Industrial District. Those chiefly affected have been Joplin, Missouri, and Miami, Oklahoma. In the Miami area (Ottawa County), for example, employment in metal mining dropped from 4,250 in 1941 to 1,400 in 1950. Nevertheless, neither of these two cities have been entirely dependent on lead and zinc mining, and the growth of other activities has offset the losses.

Railroads The fact that the railroads provide the economic basis for many of the small cities is readily apparent in the railroad employment data shown in Table 4. In North Platte, Parsons, Newton, Cheyenne, El Reno, Emporia, and Grand Junction, railroad employment obviously constitutes

Table 4. RAILROAD DIVISION POINT AND TERMINAL CITIES*

			Railroad
		Railroad Employ-	Employees per 100
	Railroad	ment	Pop., 1950
Grand Island	Union Pacific	811	3.6
Chanute	Santa Fe	365	3.6
Coffeyville	Missouri Pacific	303	1.8
Fort Scott	Frisco	425	4.1
Parsons	Missouri-Kansas-Texas	1,431	9.7
Pittsburg	Kansas City Southern	850	4.4
Emporia	Santa Fe	1,103	7.0
El Ŕeno	Rock Island	990	9.0
Dodge City	Santa Fe	362	3.2
Newton	Santa Fe	1,095	9.4
North Platte	Union Pacific	1,872	12.1
Chevenne	Union Pacific	3,014	9.4
Gr. Junction	Denver and Rio Grande	900	6.2
Laramie	Union Pacific	731	4.7

*With railroad employment of 300 or more. Source: Information supplied by railroads.

a dominant influence in the economic life of the community. The railroads not only hire large numbers of workers in these division point and terminal cities, but their presence also makes it possible for many of the towns to participate in wholesale distribution and in the marketing of farm products. At the present time, railroad employment is little changed from the level of 1930, although it declined as did manufacturing employment during the depression years of the Thirties. In the case of most of the cities, it has accounted directly for neither an expansion nor a contraction of urban population.

Higher Education

The operation of educational institutions has formed one of the most dynamic elements in the growth of the small cities.

Enrollment

In particular the state universities and agricultural colleges located at Lawrence, Manhattan, Norman, Stillwater, Boulder, Fort Collins, and Laramie have created a need for goods and services that requires a major portion of the business efforts of the communities for their fulfillment. The rate of increase

Table 5. COLLEGES AND UNIVERSITIES*

		Net Er Sprin	rollment g Term	Per Cent	as Per Cent of 1950
	Location	1940	1950	Change	Population
University of Kansas	Lawrence, Kansas	3,926	7,434	+89.4	31.8
Kansas State Teachers College	Pittsburg, Kansas	967	1,734	+79.3	9.0
Kansas State Teachers College	Emporia, Kansas	1,603	1,474	-8.0	9.4
Kansas State College	Manhattan, Kansas	3,713	5,184	+39.6	27.2
East Central State College	Ada, Oklahoma	1,153	1,358	+17.8	8.5
University of Oklahoma	Norman, Oklahoma	6,432	10,465	+62.7	38.8
Oklahoma Agricultural and Mechanical College	Okmulgee, Oklahoma	0	1,506		8.2
Colorado State College of Education	Greeley, Colorado	1,346	1,795	+33.4	8.8
Phillips University	Enid, Oklahoma	656	1,135	+73.0	3.2
Oklahoma Agricultural and Mechanical College	Stillwater, Oklahoma	5,344	9,136	+71.0	45.1
University of Colorado	Boulder, Colorado	3,531	8,008	+126.8	40.0
Colorado College	Colorado Springs, Colorado	762	1,204	+58.0	2.6
Colorado Agricultural and Mechanical College.	Fort Collins, Colorado	1,868	3,416	+82.9	22.9
University of Wyoming	Laramie, Wyoming	1,847	2,867	+55.2	18.4
Total, 14 institutions		33,148	56,716	+71.1	

*With net enrollments in excess of 1,000 in 1950. Source: Information supplied by colleges and universities.

TENTH FEDERAL RESERVE DISTRICT



6

ROCKY MOUNTAINS

Boulder, Colorado

Casper, Wyoming

Greeley, Colorado

Newton, Kansas

Winfield, Kansas

Enid, Oklahoma

Ada, Oklahoma

Salina, Kansas

GREAT PLAINS

SMALL CITIES

CORN BELT Atchison, Kansas Lawrence, Kansas Leavenworth, Kansas Ottawa, Kansas Beatrice, Nebraska Fremont, Nebraska Grand Island, Nebraska Hastings, Nebraska Kearney, Nebraska Norfolk, Nebraska

TRI-STATE INDUSTRIAL DISTRICT Chanute, Kansas Coffeyville, Kansas Fort Scott, Kansas Independence, Kansas Parsons, Kansas Pittsburg, Kansas Carthage, Missouri Joplin, Missouri Miami, Oklahoma

FLINT HILLS-OSAGE El Dorado, Kansas Emporia, Kansas Junction City, Kansas Manhattan, Kansas Bartlesville, Oklahoma

METROPOLITAN AREAS

Albuquerque Denver Kansas City Lincoln Oklahoma City Omaha Pueblo St. Joseph Topeka Tulsa Wichita



in population for these seven college towns taken together surpassed that for all 63 cities in each of the last two decades. In the Thirties they increased by 16 per cent in contrast with a gain of 9 per cent by all of the small cities; in the Forties the gains were 31 per cent and 19 per cent, respectively. Information on enrollment at the larger institutions in the cities in 1940 and in 1950, shown in Table 5, indicates that in most cases the college segment of the population was the most rapidly growing part. The extent to which college towns provide services for people outside their own confines is illustrated by the fact that students from the local community did not comprise as much as one fifth of the student body in any of the seven major college towns mentioned above. Moreover, many of the resident students who were domiciled in the communities were there only for the purpose of attending college.

Military Installations

Since the beginning of World War II, the contribution of military bases to the rapid growth of small urban com-

munities has surpassed even the expansionary effect of colleges and universities. In many instances, of course, temporary facilities were closed down immediately following the cessation of hostilities, but in other cases a permanent enlargement has occurred. More recently a number of installations have been reactivated or expanded as a part of the post-Korean defense program. A list of military facilities currently active or in the process of reactivation near the small cities is presented in Table 6. The significance of the impact of increased military expenditures on small cities is conveyed by the fact that where the installations have been operated continuously during the last decade—as they have near Lawton, Junction City, McAlester, Cheyenne, and Santa Fe-urban growth has been extremely rapid. In the five cities mentioned population increased at more than twice the rate it did in all 63 small cities combined. Lawton

Table 6. MILITARY INSTALLATIONS

	Location
Sunflower Ordnance Plant	Lawrence, Kansas
Fort Leavenworth	Leavenworth, Kansas
Cornhusker Ordnance Plant	Grand Island, Nebraska
Naval Ammunition Depot	Hastings, Nebraska
Kansas Ordnance Plant	Parsons, Kansas
Fort Riley	Junction City, Kansas
Ardmore Air Force Base	Ardmore, Oklahoma
Fort Sill	Lawton, Oklahoma
Naval Ammunition Depot	McAlester, Oklahoma
Naval Training Base	Norman, Oklahoma
Smoky Hill Air Force Base	Salina, Kansas
Vance Air Force Base	Enid, Oklahoma
Warren Air Force Base	Cheyenne, Wyoming
Camp Carson	Colorado Springs, Colorado
Ent Air Force Base	Colorado Springs, Colorado
Los Alamos	
Scientific Laboratory	Santa Fe, New Mexico

nearly doubled in size during the period and was the fastest growing of all of the small cities.

StateCheyenne and Santa Fe serve as the seatsCapitalsof the state governments of Wyoming and
New Mexico and therefore each has an im-

portant part of its labor force engaged in administrative tasks. In both cities, other activities are also important. Even though precise data on governmental employment are lacking, it may be inferred from the growth of governmental activities that they have exerted an important expanding influence in the two communities. Both have grown rapidly in the last twenty years. While they are in most cases of lesser significance, other governmental institutions might also be singled out for consideration—for example, hospitals and prisons.

Trade and Service Industries

More of the small cities perform trade and service functions for the surrounding agri-

cultural territory and small towns than specialize in any other activity. When the ratio of retail employment per hundred population for the 63 small cities, shown in Table 7, is compared with that for the 11 metropolitan areas, it is evident that the primary function of most cities of this size is to act as centers of retail trade. High ratios of retail employment to population are indicative of a complex of two characteristics: (1) specialization in retailing and (2) high income to support a high level of retail trade. Retail trade

Table 7. DEGREE OF SPECIALIZATION IN RETAIL TRADE

	Number of retail
	employees per 100
	population, 1950
Corn Belt, 10 Cities	6.1
Fremont, Nebraska	7.3
Grand Island, Nebraska	7.0
Norfolk, Nebraska	8.8
Tri-State Industrial District, 9 Cities	6.3
Coffeyville, Kansas	6.3
Pittshurg Kansas	6.5
Jonlin Missouri	7.3
Flint Hills-Osage 5 Cities	5.8
Fl Dorado Kansas	6.4
Emporia Kansas	6.8
Cotton and General Farming 13 Cities	5.2
Ada Oklahoma	61
Ardmore Oklahoma	6.3
Mallostor Oklahoma	5.9
Shawnoo Oklahoma	5.0
Croat Plaing 16 Citing	6.0
Dodro City Kongog	0.0
Conden City, Kansas	0.0
Garden Olty, Kansas	0.0
Great Bend, Kansas	7.0
Salina, Kansas	8.0
Scottsbluff, Nebraska	7.8
Rocky Mountains, 10 Cities	6.3
Colorado Springs, Colorado	7.1
Grand Junction, Colorado	8,8
Sheridan, Wyoming	7.8
63 Small Cities	6.1
11 Metropolitan Areas	5.4

in an area chiefly reflects conditions in the primary income generating activities of the locality-agriculture, mining, manufacturing, or government. Consequently, when growth is occurring in income arising from these sources a parallel expansion of retailing may be expected. The regional variation in per capita income levels among the six groups of small cities provides a part of the explanation for the differences which exist in the ratios of retail employment per hundred population. Retail employment per capita is highest in the Great Plains cities and lowest in the Cotton Belt. This arises in part because incomes are higher in the Great Plains region than in the Cotton Belt, making it possible to support a higher level of retail employment per capita. Another source of retail expansion in a community is that of capturing some or all of a market previously served by another trading center, and this process has been going on gradually for several decades with the development of the practice of commuting by automobile. It has permitted the urban places to absorb many of the functions and much of the population of the neighborhood villages and small towns. In a sense, business in the urban places has fed on the decline of trade in the small towns and villages.

Norfolk, Kearney, Dodge City, and Garden City serve as illustrations of cities that are largely specialized in the provision of retail trading facilities for the immediately surrounding agricultural territory. Joplin, Salina, and Colorado Springs combine a rather high degree of specialization in retail trade with other activities. They pull trade from considerably greater distances than do smaller cities by virtue of their size and the extent of their offerings of different types of merchandise. The relationship between income generated in other activities and the growth of retailing can be illustrated in a number of instances. In the vicinity of Scottsbluff, the development of irrigated agriculture was carried on extensively during the 1930's. The income arising from farming in the vicinity increased, and population mounted. Retailing in Scottsbluff grew apace during the period. Similarly, a rapid growth of retailing occurred in Garden City during the 1940's as wheat farming in the area prospered during the years of abundant moisture. Lawton's retail expansion has been based chiefly on the expansion of Fort Sill. Retail employment rose in Norman as the student body of the University of Oklahoma expanded. Oil production and refining have provided a stimulant to income and population in Duncan and Ponca City, and these cities have experienced substantial increases in retail trade. On the other hand, retail employment declined in Okmulgee as the agricultural and mining population of its trading area decreased.

Wholesaling generally is carried on to a much greater extent by the larger metropolitan areas than by the small cities; this is indicated by a comparison of the ratios of wholesale employment to population, shown in Table 8. Despite this tendency, there are several of the small cities which do a substantial wholesale business; Grand Junction and Joplin are especially important in this activity. Moreover, the additions to wholesale employment since 1929 have contributed significantly to the growth of Joplin, Grand Junction, Grand Island, and Fremont. Salina, Hutchinson, and Enid are important terminal wheat markets, although their wholesale employment has changed little over the last twenty years. In the aggregate, the increase in wholesale employment in the 63 small cities lagged somewhat behind that for the 11 metropolitan areas and lagged even farther behind the rise in wholesaling in the United States. The Rocky Mountain cities were the only ones in which wholesale employment grew more rapidly than in either the 11 metropolitan areas or the United States. In that area, the expansion reflects the continued growth of rural population served by the small cities, and the migration of wholesale activities to centers in the region.

Table 8. LEADING WHOLESALE CENTERS

. . . .

	Number of	Number of wholesale
	wholesale	employees per 100
	employees,	population,
	1948	1950
Fremont, Nebraska	. 449	3.0
Grand Island, Nebraska	699	3.1
Joplin, Missouri	. 1,448	3.7
Salina, Kansas	. 773	3.0
Grand Junction, Colorado	. 625	4.3
63 Small Cities 11 Metropolitan Areas	16,957 96,958	1.5 3.1

Source: Census of Business, 1948.

To some favorably situated areas, the vacation industry has been of increasing economic significance. A number of the small cities have been developing their resort business as an important sideline, but in the case of Colorado Springs it comes to much more than that. Since the opening of the cog railroad up Pike's Peak in 1891, tourists have increasingly swelled the retail trade and service industries of that city. Expanding army and air force activities are also located nearby, and as a result Colorado Springs has grown somewhat faster than the average small city during the last two decades.

Summary Space does not permit the individual treat-

ment of the factors underlying the growth of many of the small cities. In some cases growth is explainable in terms of one type of activity alone; in others it is not. A few examples may be cited. Atchi-

REVIEW OF AGRICULTURAL AND BUSINESS CONDITIONS

son possesses a considerable amount of industry for its size, which has been expanding through the years. On the other hand, its wholesale trade has been declining. In addition to these activities, it has two colleges and some railroad employment. The net effect of these diverse influences on its population during the past two decades has been static. While Grand Junction earns its livelihood as a trading center and as a railroad division point, much of its 42 per cent growth in population since 1930 has stemmed from a growth of wholesaling. Hutchinson has a diversified dependence upon manufacturing, wholesale trade, and retail trade at the present time. However, most of its population growth of 24 per cent during the last twenty years occurred as a result of industrial expansion: its wholesale employment even declined slightly.

In broad lines, the economic growth of the small cities in various groupings has been sketched. The most rapidly growing communities are those affected by the close proximity of important military installations. The expansion of colleges and universities has been second only to defense projects as a source of rapid urban growth. The expanding petroleum industry has been the cause of growth in many localities, but the phenomenal growth of some oil towns is tempered by the decline of others. Retail trade—the

most important function of the small cities-has stimulated their growth slightly less than it has that of the metropolitan areas or the nation as a whole. Rising incomes and expanding internal population have comprised the source of most of the growth in retailing; farm and small town population has declined in all regions of the District with the exception of the Rocky Mountains. Industrial growth in the small cities has been retarded when measured in terms of the national rate of increase or the rate achieved in the metropolitan areas. Coal, lead, and zinc mining have constituted declining economic influences in most cases. The effects of the slower rise of manufacturing and the decline of mining have been particularly retarding in the growth of the Tri-State Industrial District cities as a group.

No implications should be construed from the foregoing discussion with respect to the desirability of high or low rates of population growth. The purpose has been to seek an understanding of the process of economic development in the small cities. With this as a background, it is possible to formulate an appraisal of their changing position in the nation's economy. To those familiar with the characteristics of individual communities, the comparisons should serve as an aid in judging their economic condition.

BUSINESS CONDITIONS

MEMBER BANK CREDIT

Total loans decreased by 10 million dollars at District member banks in February, continuing the contraction which appeared during the preceding month. The entire reduction took place at reserve city banks and, on the basis of figures from weekly reporting banks, appears to have been concentrated in Kansas City, Missouri, where net repayments of 11.1 million dollars were recorded. Loan volume of 2,042 million dollars at all District member banks on February 27 was 25 million dollars below the record month-end figure for December 26, 1951, but was 4.3 per cent above the level for the comparable date in 1951. The net increase over the past twelve months has occurred chiefly at country banks, where loans have expanded by 59 million, or 7.4 per cent, as compared with an increase of 25 million, or 2.1 per cent, at reserve city banks.

Holdings of Government obligations by all member banks in the Tenth District also declined during the four weeks ending February 27. The reduction at

SELECTED	ITEMS	OF	CONDITION	OF	TENTH	DISTRICT	MEMBER	BANKS
			(In millio	ns c	of dollars)		

	ALL N	IEMBER	BANKS	Reser	VE CITY	BANKS	Cou	NTRY BA	NKS
	Feb. 27 1952	Jan. 30 1952	Feb. 28 1951	Feb. 27 1952	Jan. 30 1952	Feb. 28 1951	Feb. 27 1952	Jan. 30 1952	Feb. 28 1951
Loans and investments	5,075	5,123	4,735	2.866	2.895	2.631	2.209	2.228	2104
Loans and discounts	2,042	2,052	1,958	1,189	1,201	1,164	853	851	794
U. S. Government obligations	2,531	2,563	2,305	1,400	1,414	1,211	1.131	1.149	1.094
Other securities	502	508	472	277	280	256	225	228	216
Reserve with F. R. Bank	891	920	870	545	571	535	346	349	335
Balances with banks in U. S	689	676	596	283	268	256	406	408	340
Cash items in process of collection	335	304	337	314	281	313	21	23	24
Gross demand deposits	5,798	5,830	5,530	3.343	3.345	3.180	2.455	2.485	2.350
Deposits of banks	983	994	868	911	919	803	72	75	65
Other demand deposits	4,815	4,836	4.662	2,432	2.426	2.377	2.383	2,410	2 285
Time deposits	798	791	683	417	416	364	381	375	319
Total deposits	6,596	6.621	6.213	3.760	3.761	3.544	2.836	2 860	2 669
Borrowings	71	81	20	65	74	17	6	7	-,000

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country banks totaled 18 million dollars, somewhat more than the decline of 14 million at reserve city banks. In spite of recent reductions, however, the close of February found portfolios of Government securities among District member banks well above the level reported for the comparable date last year. reflecting the steady increases occurring in the third and fourth quarters of 1951. In contrast with the more substantial growth of loans at country banks during the twelve months ending February 27, the expansion of Treasury security portfolios has been concentrated in the city banks. Reserve city banks increased their holdings by 189 million dollars, or 15.6 per cent, from February 28, 1951, to February 27, 1952, while country bank holdings increased by only 37 million, or 3.4 per cent.

Gross demand deposits at District banks declined by 32 million dollars during the four weeks ending

	Feb. 1952	2 Mos. 1952	Chang Feb.	e from '51 2 Mos.
COLORADO	(Thou	sand dollars)	(Pe	r cent)
Colo. Springs	52.670	112.466	+1	+1
Denver	696 940	1 444 570	19	13
Gr Junction	15 839	22 777	10	
Greeley	28 157	58 027	1.9	
Buchlo	46 911	00,007	+4	
F UEDIO	40,211	90,090	+ 1	
ALANSAS	11 104	00.044		4
Atchison	19,194	23,044	+0	-1
Emporta	12,207	25,773	0	-8
Hutchinson	43,803	97,104	+11	+13
Independence	8,363	17,791	+16	+11
Kansas City	88,172	179,049	+10	+6
Lawrence	13,333	27,534	+14	+15
Manhattan	12,500	26,180	+17	+14
Parsons	10,775	22,724	+44	+27
Pittsburg	13,151	27,275	+2	+1
Salina	34,922	84,817	+1	+6
Topeka	99,267	206,977	+4	-2
Wichita	364,246	722.648		+20
Missouri			1	1
Independence	15,663	29.427	+36	+18
Joplin	31,282	65 652	+15	10
Kansas City	1,212,164	2 568 070	1.8	12
St Joseph	111 277	245 039	1 11	1 1
NEBRASKA	111,0010	440,000	711	
Fremont	20.014	19 278	1.11	4
Grand Island	20,014	62 770	+ 11	1 1 4
Hestings	14 770	91 409	+ 44	+14
Lincoln	00 470	100 740	-1	
Omaha	509 169	1 960 690	+0	+1
NEW MEXICO	090,100	1,200,030	1	-4
A That are and a	100 100	920 070	1.1.1	
Albuquerque	132,108	268,979	+15	+8
Santa Fe	29,086	60,875	-4	-3
OKLAHOMA	105 105	000045		
Bartlesville	187,465	392,315	+28	+23
Enid	34,908	76,069	+4	+4
Guthrie	5,098	11,064	+8	+6
Lawton	19,689	41,111	+24	+19
Muskogee	28,124	60,701	+21	+7
Norman	8,465	17,590	+4	+1
Okla. City	407,715	852,725	+13	+9
Okmulgee	6,777	15,232	+4	+2
Ponca City	20,997	44,062	+16	+2
Tulsa	642,288	1,358.162	+16	+15
WYOMING				1
Casper	40,354	90,629	+40	+29
Cheyenne	40,549	85,379	+34	+11
District, 40 cities.	5,280,141	11,078,465	+11	+6
U. S., 342 cities 1	28.023.000	266,543,000	+12	+6

BANK DEBITS

February 27, considerably less than the contraction of 196 million reported for the preceding five-week period. Most of this reduction appeared at country bank locations. Although individual and business, as well as interbank, demand deposits at reserve city banks declined during the period from January 30 to February 27, increased Government deposits partially counterbalanced these losses, and the total contraction of demand deposits among this class of banks was limited to 2 million dollars.

DEPARTMENT STORE TRADE

The dollar volume of sales at reporting department stores in this District in February was 4 per cent under that of a year earlier, when a pronounced wave of consumer scare buying was still in progress. In the first three weeks of March, sales fell 14 per cent under a year earlier, but part of this decrease reflected the fact that Easter this year is on April 13, considerably later than it was last year when Easter was on March 25. It has been estimated that this variation in the Easter date alone would account for a decrease in sales of about 6 per cent from last year for the month of March as a whole and for a corresponding increase for the month of April as a whole. Sales declined contraseasonally from January to February, and the seasonally adjusted index of daily average sales dropped from 115 per cent of the 1947-49 average in January to 105 per cent in February.

Department store inventories increased by about the customary amount during February, and the seasonally adjusted index of stocks at the end of February stood at 122 per cent of the 1947-49 average, the same as a month earlier.

DEPARTMENT STORE SALES AND STOCKS

	SA Feb. 1952 comp. to Feb. 1951	LES 2 Mos. 1952 comp. to 2 Mos. 1951	STOCKS Feb. 29, 1952 comp. to Feb. 28, 1951
	(Per ce	nt increase o	r decrease)
Denver	-11	-15	-11
Pueblo	-15	-20	-19
Hutchinson	-16	-16	+1
Topeka	0	-1	+2
Wichita	-7	-8	+2
Joplin	+1	-11	-5
Kansas City	+1	-4	-3
St. Joseph	8	-15	*
Omaha	+1	-3	*
Oklahoma City	-6	-11	-12
Tulsa	+2	-5	+10
Other cities	-7	-11	-3
District	_4	9	5
	*	0	-0

*Not shown separately but included in District total.

CONSTRUCTION

Construction expenditures in the United States during 1951 ran 7 per cent more than during 1950. No increase in the physical volume of construction oc-

curred, however, since construction costs increased on the average by almost 8 per cent. The large gains in construction in 1951 were related to defense and defense-supporting activities. Expenditures for military and naval facilities were approximately six times as large as in 1950. Government expenditures for industrial plants were 300 per cent higher during 1951, and private industrial building showed an 86 per cent increase over the 1950 level. Commercial, recreational, and institutional building were curtailed because of limitations on the use of building materials imposed by the National Production Authority. Expenditures for nonfarm residential building declined 13 per cent. while the number of new nonfarm dwelling units started fell off 22 per cent. These same general trends in construction also prevailed in the Tenth District.

Western Missouri, Kansas, Nebraska, and Oklahoma experienced a rapid increase in industrial construction in 1951. According to information compiled by the F. W. Dodge Corporation, contracts awarded for industrial construction in Kansas City, Omaha, Lincoln, Wichita, Oklahoma City, and Tulsa combined were 112 per cent higher in 1951 than a year earlier. On the other hand, the number of dwelling units provided within the four-state territory declined 9 per cent. Decreases also occurred in housing construction in all metropolitan areas in the District with the exception of Omaha and Lincoln. A 45 per cent gain in residential housing expenditures in Omaha is attributed in part to the extensive public housing construction there during the year.

Wholesale building material prices increased from June, 1950, to March, 1951, and since then have remained fairly stable. During the period of advance, the Department of Labor wholesale price index of all building materials rose 13 per cent and then fell off almost 2 per cent by the end of 1951. The recent softening in the index was due wholly to a 4 per cent decline in lumber prices, as other building material prices held steady. Wages of construction workers continued to rise during the last three quarters of 1951. Nevertheless, building material prices had advanced faster than wages late in 1950, and the total rise in wages from June, 1950, up to the end of last year was less than that for material prices.

Construction cost indexes prepared for individual cities by E. H. Boeckh have followed somewhat the same pattern as building material prices in the last year and a half. An average of costs in 20 large cities throughout the country rose 7 per cent from June, 1950, to March, 1951, and an additional 2 per cent from March through December of last year. Cost indexes for several Tenth District cities—Denver, Albuquerque, and Tulsa—follow this same trend closely. In the case of Omaha, however, during 1951 construction costs for frame residences averaged 14 per cent more than in 1950. Likewise, in Kansas City, construction costs continued to advance more rapidly through the latter part of 1951 than in the other areas.

Nonfarm dwelling units started in February, 1952, in the United States totaled 77,000, according to estimates made by the Bureau of Labor Statistics. This was the second successive month of increase and the February figure was 24 per cent over last December. The first two months of 1952, however, were still under the corresponding period in 1951 by 13 per cent. In western Missouri, Kansas, Nebraska, and Oklahoma, residential construction contract awards increased 17 per cent from December to February. Moreover, residential contract awards in the fourstate area the first two months of 1952 ran 10 per cent higher than in the corresponding period in 1951. Present indications are that the upturn in residential building may continue for some months.

On March 6, the National Production Authority revised its restrictions on the use of building materials. The agency revoked previous restrictions on home construction and issued regulation M-100 to govern this field. The new regulation allows for a substantial increase in the use of carbon steel that can be selfauthorized for one- to four-family homes. However, the unlimited use of inventories in excess of selfauthorization amounts is no longer permitted. In light of the improved building materials situation and the present building rate, some estimates of residential construction now run as high as 1,000,000 new dwelling units this year. This is considerably more than earlier predictions. Controls on commercial and industrial construction also were revised on March 6. The new regulation allows commercial builders to use up to 5 tons of steel without formal certification. Industrial builders are allowed to self-certify up to 25 tons of steel, 2,000 pounds of copper, and 1,000 pounds of aluminum.

Labette County, Kansas, was declared a critical defense housing area on February 28 as a result of increased activity at the Kansas Ordnance Plant near Parsons. Parts of Johnson, Wyandotte, and Douglas Counties, Kansas, were declared a critical defense housing area on March 7, because of the shortage of housing near the Olathe Naval Air Base and the Sunflower Ordnance Plant. Lawrence and Olathe are the principal cities affected by this order. Rent control was imposed in the area on March 19, and construction of 200 additional housing units was programmed by the Housing and Home Finance Agency on that day. One hundred fifty units were also programmed for the Parsons area.