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Meeting Capital Requirements in the Wheat Belt

THE PROBLEM of acquiring the capital necessary to farm in an efficient manner is important both to the young man who wishes to start farming and to the farmer who desires to reorganize his farm business. Both the quantity and kind of capital needed to establish a farming unit have been changing more rapidly than have the methods of acquiring capital. Although these methods change slowly over time, their relative importance may shift as capital requirements and the capital structure of agriculture change.

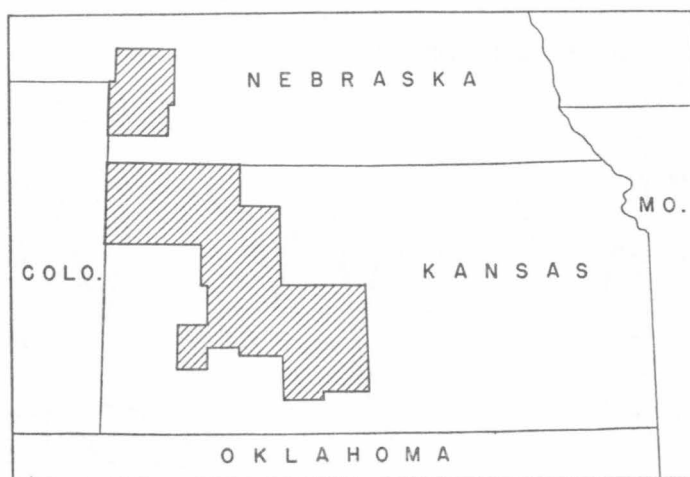
The Area Studied The material presented in this report is based mainly upon data collected by the United States Department of Agriculture on family-operated farms in the wheat belt of Kansas and Nebraska. Figure 1 indicates the area which is to be studied. For simplicity, this area

will be called the wheat belt, although this description also could be applied to a much larger region. The data presented are collected from family-operated farms that produce primarily for the market. These farms represent the predominate type of farm organization in the area. Consequently, the data are not based on all of the farms in this section. Rather, they are from those family-operated farms that have similar organizations.

Trends in Farm Size There are numerous indicators of the size of a farm. One measure of size is the quantity of resources a farmer uses in production. Another indicator is the output of the farm, which may be measured by physical production or gross income. Over a long period, the best single indication of size probably is some measure of output. However, in a particular year, such a statistic may be misleading because of variations in yield. In Figure 2, four measures of size are shown for a group of family farms in the wheat belt. Three of these measures deal with the resources the farmers use—land, labor, and power machinery. The other, physical production, is a measure of output. Each of these methods of measurement has limitations; all must be considered to understand trends in size of farm. These indicators of size will be discussed in the succeeding paragraphs.

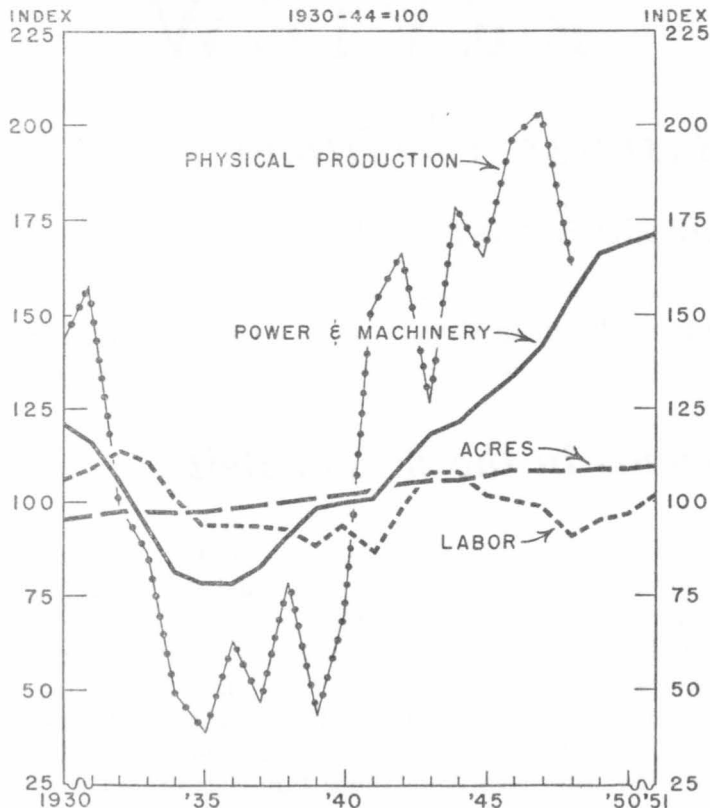
Figure 2 shows that acres per farm have not varied to any great extent, although there has been a persistent increase. Labor inputs, on the other hand, have fluctuated considerably. Because of the difficulty in obtaining accurate labor estimates, part of the fluctuations may be caused by variations in accuracy of measurement from year to year. It

Figure 1. THE AREA STUDIED



SOURCE: U. S. Department of Agriculture.

Figure 2. SIZE OF FARM IN THE WHEAT BELT*



*Physical production data not available beyond 1948.
SOURCE: U. S. Department of Agriculture.

does appear, however, that there has been a decline in labor requirements since 1930. The decline during the poor crop years in the 1930's probably was caused by a lack of cash available to hire labor and by the fact that smaller crops required less labor to harvest. From 1944 to 1948, however, there was a steady decrease in the amount of labor used, while in recent years there has been an increase. This probably has been caused by the increased availability of labor since World War II. The index which measures power and equipment has increased every year since 1936. Prior to that time, there was a decline in the index. It is probable that the high price of labor and the availability of capital caused by improved agricultural incomes has led to a substitution of machinery for labor. In the early portion of the period, both the labor and machinery indexes declined, with the machinery index falling at a more rapid rate.

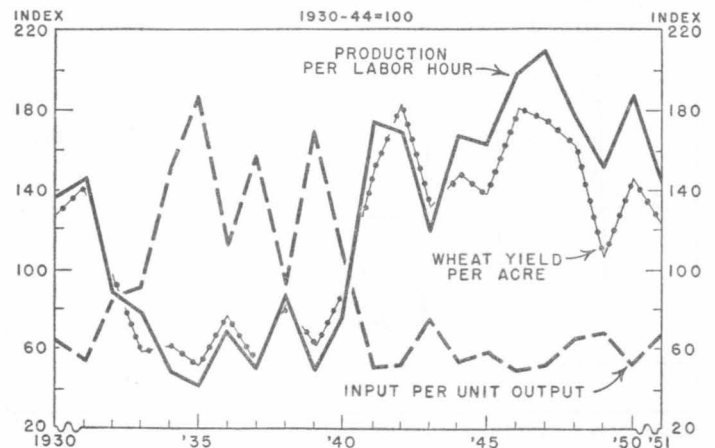
As contrasted with the input indexes, the index of physical production has fluctuated violently. To a great extent, this fluctuation has been caused by yield variability. Part of the increase in recent years, however, was caused by improved production techniques. Changes in the efficiency of production will be treated subsequently.

Efficiency of Production

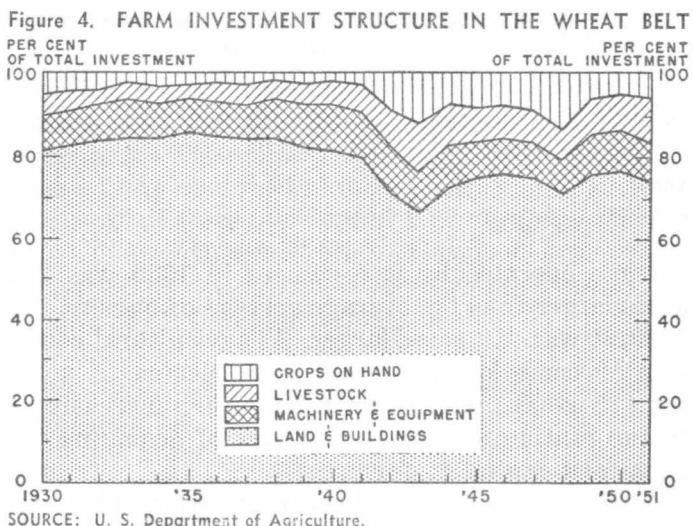
Figure 3 has been presented to give a better indication of the change in efficiency that has been brought about in the last two decades. The chart is misleading without careful examination, because it appears that tremendous gains in efficiency have been made, since production per man hour of labor has risen and inputs per unit of output have fallen. Observance of the third line on the chart, yields per harvested acre, will indicate the reason for much of the behavior in the other two lines. What appears to be a considerable gain in efficiency of production turns out to be the effect of favorable yields on production. Variations in crop yields have been caused largely by weather conditions, although varietal improvements in recent years have increased wheat yields. In addition, there have been other improvements in production, such as increased mechanization and better insect and weed control. Most of these improvements are reflected in the yield per acre figures. These data do not provide precise measures of gains in efficiency of agricultural production in the wheat belt. They do suggest that some progress has been made in the past two decades. Prior to 1930, considerable improvement in wheat production was made by the adoption of machinery. This progress is not reflected in Figure 3.

The significance of the preceding material is that the size of farm in the wheat belt has increased when measured in almost any way except by the amount of labor used. This indicates that capital requirements have increased. The increase in capital requirements has occurred at the same time that efficiency has improved. That is, fewer inputs are required per unit of output than was formerly the case. Because of these advances in production, it has become possible for the farmer to increase the size of his farm and, hence, his output.

Figure 3. PRODUCTION EFFICIENCY IN THE WHEAT BELT



SOURCE: U. S. Department of Agriculture.



The Structure of Farm Investment The structure of farm investment has remained relatively stable since 1930. This is illustrated by Figure 4. Land and building investment constitutes only a slightly smaller portion of total investment than it did in 1930; although it declined in relative importance until 1943, it has recovered considerably since that time. This is to be expected, since land values remained relatively stable until the beginning of World War II, while other prices increased. On the other hand, investment in livestock has increased from approximately 5 per cent of total investment in 1930 to 11 per cent in 1951. Since 1951, however, livestock prices have declined substantially, and livestock investment undoubtedly is a smaller proportion of total investment today than it was in 1951. Crops on hand have comprised a larger proportion of total investment in recent years than in an earlier period. This probably can be explained by the fact that farmers have more capital than they had previously. Therefore, they can afford to carry larger quantities of crops from one year to the next. They may do this in the hope of obtaining a price rise on the commodity, and they may look upon grain stocks as a form of financial reserve. The Commodity Credit Corporation loan program also has provided a stimulus to this type of activity and probably is a major factor in the increase of this type of investment. Another important reason for this change is that crop prices have increased much more during this period than the prices of other investment items.

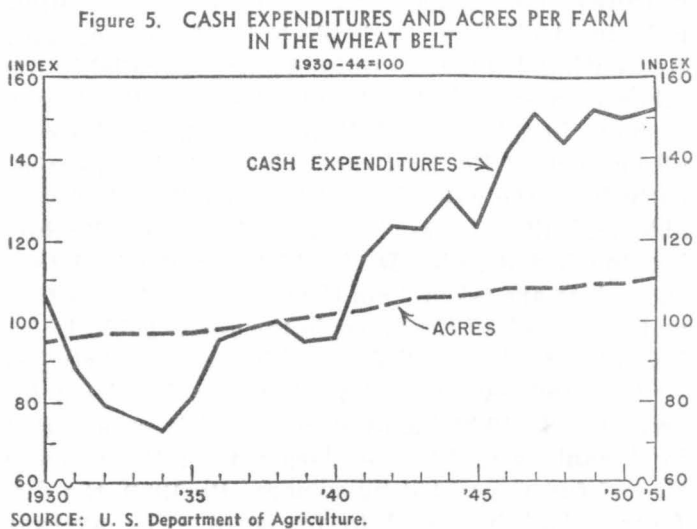
The conclusion to be drawn from the above data is that the structure of farm investment has not changed significantly. Land and building investment in 1930 comprised approximately 82 per cent of total farm investment, while in 1951 it accounted for 75 per cent. Although land and building invest-

ment has declined slightly in importance, crop and livestock investment has increased. At the same time, total investment has increased significantly. This is borne out by Figure 2, which indicates that both machinery and land used on the family farm have increased when measured in physical terms.

Cash Expenditure Trends

Although the structure of farm investment has remained relatively stable over the years, there has been a substantial shift between cash expenditures and long-run capital investment. In Figure 5, cash expenditures have been deflated by prices paid by farmers for production items. The resulting line on the chart should serve as a rough measure of the quantity of production items that are purchased during the year. It includes all cash payments for feed, seed, and fertilizer; livestock and livestock equipment and supplies; machinery and equipment purchases, repairs, replacements, and operations; repair and upkeep of farm buildings, excluding dwelling; custom work and hired labor; and taxes, telephone, electricity, and miscellaneous items. It is apparent that the major expense items not included are rent, interest, and additions to land and buildings, and that some capital expenditures such as livestock and equipment are included. As shown by Figure 5, it was not until 1941 that the index of cash expenditures (deflated) exceeded the index of acres per farm. By 1951, however, the index of cash expenditures was 152, while the index of acres per farm was 110. These data indicate that the use of those items financed by short- and intermediate-term credit has increased much more rapidly than the use of those items requiring long-term financing.

The implications of this increase in short-term expenditures relative to longer-term capital invest-



ment are quite important. Such a shift undoubtedly increases the vulnerability of the wheat farm to year-to-year fluctuations in agricultural prices. If agricultural prices should continue to fall, more difficulty will be experienced in meeting cash outlays than there would have been in an earlier period. Cash expenditures may be reduced as income declines, because operating capital may become more difficult to obtain. It is somewhat more difficult to predict with confidence whether output will decline more than it did in earlier depression periods. It should be kept in mind that, in the wheat belt, natural factors are quite important in determining output. This is borne out by Figure 2, which indicates output has fluctuated much more than have inputs, and that they moved in different directions in some years. In 1943, for example, output declined substantially from 1942 levels, while all of the agricultural inputs increased. The important point is that agricultural production in the wheat belt, although it may be controlled more in the short-run than previously, still is highly dependent upon natural forces.

Implications for the Farm Manager

The increase in capital requirements in the wheat belt cited above has definite farm management implications. The problem of acquiring the additional capital necessary for carrying on farming operations has become increasingly important. Means of obtaining this capital will be discussed in the following paragraphs.

Reference to Figure 4 indicates that land is the largest single investment item on wheat belt farms. It is not necessary, however, for each farmer to own the land he farms. He may rent all or part of his land. In view of the large capital requirements in agriculture at the present time, it appears that the renting of land is one of the most important capital-reducing techniques available to the farm manager. By renting land, his capital becomes available for other purposes. Table 1 indicates that the larger farmers in this wheat belt area are those who rent all or part of the land they use. This has persistently been the case since 1930, even though favorable agricultural years have prevailed generally during the last decade. It should be emphasized that these data are taken from the *Census of Agriculture* and represent all the farms in the area. Table 1 also indicates that the difference in acreage between renters and owners and part-owners has been increasing. In 1930, the average size of farm operated by tenants was 16 acres larger than the average size of farm operated by owners. By 1950, the difference had increased to 69 acres. The average

Table 1. AVERAGE ACREAGE PER FARM IN THE WHEAT BELT BY TENURE OF OPERATOR

Year	Owners	Part-Owners	Tenants
1930.....	422	717	438
1935.....	398	759	426
1940.....	436	861	466
1945.....	446	872	510
1950.....	481	931	550

SOURCE: U. S. Department of Commerce.

acreage operated by part-owners in 1930 was 295 acres larger than the average acreage of owners. By 1950, it was 450 acres larger. If agricultural conditions become less favorable for a period of years than they have been, farmers may turn increasingly to the renting of land as a means of acquiring the necessary capital to farm.

Various types of rental contracts exist. The most common arrangements in the wheat belt are crop-share, crop-share plus cash, and cash leases. The crop-share plus cash is merely a combination of the crop-share and the cash leases. Each of these leases has certain advantages and disadvantages. The chief disadvantage of the crop-share lease is that, unless expenses are shared in the same proportion as the crop, the farm may not be operated in the most profitable fashion. This is due to the fact that neither the tenant nor the land owner shares in the product in the same way the expense is shared. On the other hand, the crop-share lease has the advantage to the tenant of having the owner bear part of the risk of crop failure. For this reason, the cash lease has been called a "risky" lease from the tenant's standpoint, since he must meet a fixed cash commitment regardless of cost. Conversely, the owner views the crop-share lease as being more risky than the cash lease.

The average size of farm for each of the three principal types of leases is presented in Table 2. This table indicates that the average acreage per farm operated under the various types of leases has increased in size. The farms operated under cash leases, however, have increased their acreage much more than those operated under other types of leases.

Figure 4 indicates that machinery investment comprises an important part of a farmer's total investment. Consequently, farmers have become quite interested in methods of reducing machinery investment. One method of reducing the individual farm-

Table 2. ACREAGE PER FARM IN THE WHEAT BELT BY TYPE OF LEASE

Year	Cash Lease	Crop-Share Plus Cash	Crop-Share
1940.....	264	525	461
1945.....	463	625	501
1950.....	671	606	524

SOURCE: U. S. Department of Commerce.

er's machinery investment is by joint ownership of machines. Joint ownership has been most prevalent for machines used to harvest forages. Hay balers and field forage choppers are outstanding examples. The reasons for this probably are that these tasks do not have to be performed at the same time on all farms, and that the investment in these implements is substantial. Unless a considerable volume of work is assured for these machines, ownership is of doubtful benefit.

The other method commonly used by farmers to prevent a large machinery investment is custom hiring of machines. Custom combining has become a major enterprise in the Great Plains. This practice permits some farmers to have a smaller machinery investment; it also permits the owners to use their machines more intensively than if they were confined to their own farms.

Another large investment item on many farms is livestock. In the case of dairy herds, artificial insemination has become rather widespread. This is an excellent example of the purchase of the service of the asset, while the ownership rests elsewhere. Consequently, it is a capital reducing technique which also improves the quality of the product. The use of artificial insemination has never become widespread in beef production. Breeding beef cattle in this way is not as convenient as with dairy cattle, since beef cattle usually are handled less and are not inspected as closely.

Most of the above methods of reducing investment result in an even greater increase in cash expenditures during the farming year. It previously has been pointed out that cash expenditures have increased rather rapidly in recent years. To a certain extent, this has added flexibility to the farm business, since somewhat greater control exists in the short run. On the other hand, it has increased the vulnerability of the farm business to price movements within the year and to crop failure. This is true because it is necessary each year to meet large quantities of cash expenditures. Gross income at the present time can drop below cash expenditures much more easily than it could in an earlier period. This is important to farmers and to the people who loan them money, because decisions must be made regarding cash expenditures when prices begin to fall. If a farmer is operating at the most efficient point possible and agricultural product prices fall relative to agricultural costs, it will be possible for him to economize on his expenditures. On the other hand, if he is not operating at the most efficient point when prices begin to fall, it may be false economy to reduce expenditures. Farmers who are not using enough sprays and fertilizer and who are

not spending enough on seed bed preparation at the present time, probably should not reduce expenditures on these items if prices fall relative to costs.

These trends in farm costs and farm investment have an additional implication to the lender of agricultural funds. As cash operating expenditures become more important, the operating expense loan should receive additional attention from lenders, because it is for this type of expense that the additional demand for funds is likely to develop. Operating expense loans usually do not provide adequate security unless account is taken of the financial statement of the farmer. This probably is desirable, because it encourages the lender to view the entire farm business, rather than to consider only a particular enterprise.

Implications for the National Economy

Not only are these trends in capital requirements of interest to the individual farmer, but they also have implications for national agricultural policy and for the rest of the economy. One of the traditions of American agriculture is that of family farms. It is obvious that the increased size of farm and the corresponding increase in capital requirements have definite implications for this tradition.

As the size of farm increases, it follows that the number of farmers decreases. Machinery has been substituted for labor, and it is possible with a given amount of labor to farm larger acreages and produce a larger volume of agricultural commodities than formerly. This trend is viewed with fear by some people who believe that if it is allowed to continue it will mean the end of the family farm. The answer to this question depends largely upon an acceptable definition of the family farm. Probably the most common definition is that it is a farm on which most of the labor is supplied by the farm

Table 3. FARM LABOR SUPPLY IN THE WHEAT BELT, 1950

	Family and/or Hired Workers	Family Workers Including Operator	Hired Workers
Number of farms reporting..	16,560	16,330	2,311
Per cent of total.....	100	99	14

SOURCE: U. S. Department of Commerce.

family. If this is an acceptable definition, reference to Table 3 will indicate that the family farm still is the predominate type of organization in the wheat belt. Of all the farms in the area, 99 per cent used some type of family labor. Only 14 per cent of the farms reporting had hired labor. It appears that the introduction of labor-saving machinery may have strengthened the family farm if it is defined in this way. The nature of agricultural production

probably is such that large scale chain farming is not feasible. Although the most efficient size of farm has increased, it apparently has not increased more rapidly than the farm family's capacity to farm it.

Another tradition of American agriculture relates to the establishment of young men in farming. The importance of retaining young men of quality in agriculture is apparent. Increased capital requirements have made it difficult for the young man without capital to become established on an economic sized unit. It is impossible for all of the

young people reared by farm families to remain in agriculture because the agriculture population more than reproduces itself and the average size of farm is increasing. Father-son transfers fail to solve the problem, because there is more than one son in many families. If a farm of efficient size is divided into parts, uneconomic farming units will result.

These problems caused by increased capital requirements probably will have to be met by society as laws and national policies are proposed. Tradition and efficiency may conflict and a choice will have to be made.

PROSPECTIVE AGRICULTURAL PRODUCTION FOR 1953

Agricultural production in 1953 nationally probably will equal or approach the record production of 1952, according to reports of the United States Department of Agriculture. Tenth District agricultural production, although not as large as last year's, still will be substantial. Currently, the physical volume of farm marketings nationally is running slightly above a year ago. This is because of high production in 1953 and large carry-over stocks from 1952. Although total crop production probably will be down from 1952, it is expected to be about offset by increased livestock production. Increased cattle production probably will more than compensate for the decrease in hog production. Both milk and egg output are slightly above the levels of a year ago.

Expected 1953 production figures for the principal crops of Tenth District states are shown in Table 1. Although the 1953 production data are estimates, the growing season is sufficiently well advanced to permit rather accurate forecasting. In the case of wheat, oats, and barley, harvest is completed in Tenth District states and in most of the United States, but final production figures are not yet available.

The Nation's wheat crop for 1953 has been estimated at about 107 per cent of the 1942-51 average, which is 90 per cent of the good crop of 1952. In District states, the 1953 crop was about 2 per cent less than the 10-year average, but was down about 34 per cent from 1952. Even though the 1953 wheat crop was substantially below the huge 1952 production, the better-than-average crop, plus the carry-over, compelled the Secretary of Agriculture to call for a referendum on wheat marketing quotas. It is a matter of history that these quotas were accepted by wheat growers and that the producers now are limited as to the number of acres of wheat they can plant without penalty. No restriction has been placed on the use of the excess wheat acreage, except that it cannot be planted to other crops that have acreage restrictions.

Drought conditions affected the corn crop of District states much more severely than they did the crop for the entire Nation. The 1953 corn crop for District states is estimated at approximately 80 per cent of the 1942-51 average, but only about 75 per cent of the 1952 crop. Much of the 1953 crop has been or will be made into silage, because drought conditions have severely reduced the grain yield of

CROP PRODUCTION

Crop	TENTH DISTRICT STATES						UNITED STATES				
	1942-51		Est. 1953	1953 as		1942-51		1952	Est. 1953	1953 as	
	Thousands of bushels*	Thousands of bushels*		% of	% of	Thousands of bushels*	Thousands of bushels*			% of	% of
Wheat.....	405,230	601,690	398,331	98.3	66.2	1,088,548	1,291,447	1,163,231	106.9	90.1	
Corn.....	487,451	520,880	393,525	80.7	75.6	3,036,380	3,306,735	3,196,101	105.3	96.7	
Cotton**.....	602	594	715	118.8	120.4	12,215	15,136	15,596	127.7	103.0	
Grain sorghum.....	48,630	27,578	39,268	80.7	142.4	137,263	83,316	114,590	83.5	137.5	
Oats.....	162,365	110,870	122,137	75.2	110.2	1,324,614	1,268,280	1,205,106	91.0	95.0	
Barley.....	46,628	21,426	22,317	47.9	104.2	295,299	227,008	237,476	80.4	104.6	

* Except for cotton which is in bales.

** Oklahoma and New Mexico.

SOURCE: U. S. Department of Agriculture.

corn and have placed roughage at a premium in much of the District. For the Nation as a whole, the 1952 corn crop was estimated on September 1 at approximately 105 per cent of 1942-51 average and about 97 per cent of the 1952 crop.

Although the Nation's production of both corn and wheat is below that of a year ago, 1953 cotton production is estimated at 103 per cent of the 1952 crop. If a crop of this size is realized, it will be nearly 28 per cent greater than the 1942-51 average. This increase in production over the 10-year average is partially accounted for by increased acreage, but also is caused by increased yield per acre. The average yield per acre in 1953 was 16 per cent greater than the 1942-51 average yield. This large production in 1953, plus the carry-over from 1952, made it necessary for the Secretary of Agriculture to call for a referendum of growers to be held by December 15 to decide if they will accept marketing quotas. If these marketing quotas are accepted, the acreage planted to cotton in 1954 will be reduced approximately 28 per cent from the 24.6 million acres planted in 1953. The District states important in cotton production—Oklahoma and New Mexico—are expected to produce about 20 per cent more cotton this year than they did in 1952, and about 19 per cent more than they averaged during the 1942-51 period.

Grain sorghum production in District states in 1953 is expected to be substantially greater than it was in 1952, although down 20 per cent from the 1942-51 average production. Nationally, also, the 1953 crop is expected to be better than the 1952 crop, although not as good as the 1942-51 average production.

The production of oats for the Tenth District states in 1953 is expected to be better than for the previous year, but considerably below the 10-year average production. For the Nation, the crop is ex-

pected to be smaller than both the 1952 crop and the 10-year average. Barley production nationally is about 5 per cent above the production of 1952 but approximately 20 per cent less than the 10-year average. It is expected to be up slightly from 1952 in the Tenth District, but this estimate is only about 50 per cent of the production for the 1942-51 period. It is likely that more acreage will be seeded to barley in 1954 as some of the land taken out of wheat production undoubtedly will be used in this way.

MEMBER BANK CREDIT

The reports of member banks in the Tenth District continue to reflect a slackened demand for credit. On September 30, total loans and discounts outstanding at reserve city banks were 20 million dollars less than at the end of August, and this decline brought the reduction since March 25 to 47 million. Loans and discounts of country member banks increased 12 million dollars in September, making a total increase of 86 million since the seasonal low on May 27. The seasonal expansion last year from May 28 to September 24 was 133 million dollars. While the lesser gain this year is attributable in part to the smaller 1953 wheat crop, the effect of lower prices on the need for agricultural credit also has been an important influence. At the end of September, total loans and discounts were below year-ago levels at both reserve city and country member banks—at the former by 4 million and at the latter by 30 million dollars. The major part of the decline from last year at country banks occurred in Kansas and Nebraska as the country banks in Missouri, Oklahoma, and New Mexico showed a gain over last year, while the loans of country banks in the other two District states were only nominally lower. At reserve city members, a similar geographic disparity was displayed as these banks in Colorado and Okla-

SELECTED ITEMS OF CONDITION OF TENTH DISTRICT MEMBER BANKS

In millions of dollars

	ALL MEMBER BANKS			RESERVE CITY BANKS			COUNTRY BANKS		
	Sept. 30 1953	Aug. 26 1953	Sept. 24 1952	Sept. 30 1953	Aug. 26 1953	Sept. 24 1952	Sept. 30 1953	Aug. 26 1953	Sept. 24 1952
Loans and investments.....	5,440	5,464	5,351	2,980	3,021	2,966	2,460	2,443	2,385
Loans and discounts.....	2,208	2,216	2,242	1,238	1,258	1,242	970	958	1,000
U. S. Government obligations.....	2,668	2,685	2,567	1,431	1,447	1,416	1,237	1,238	1,151
Other securities.....	564	563	542	311	316	308	253	247	234
Reserve with F. R. Bank.....	874	904	959	522	549	584	352	355	375
Balances with banks in U. S.....	700	651	686	319	277	311	381	374	375
Cash items in process of collection.....	325	300	339	300	278	316	25	22	23
Gross demand deposits.....	5,942	5,921	6,010	3,393	3,390	3,437	2,549	2,531	2,573
Deposits of banks.....	961	925	963	897	861	900	64	64	63
Other demand deposits.....	4,981	4,996	5,047	2,496	2,529	2,537	2,485	2,467	2,510
Time deposits.....	968	960	850	480	475	434	488	485	416
Total deposits.....	6,910	6,881	6,860	3,873	3,865	3,871	3,037	3,016	2,989
Borrowings.....	46	71	117	35	49	107	11	22	10

homa showed gains in loans over the 12-month period, while the city banks in Kansas, Missouri, and Nebraska registered declines.

The seasonal expansion of loans at country banks this year has been accompanied by a less favorable trend of deposits than prevailed last year. In 1952, from the low of the spring until the latter part of September, loans increased 133 million dollars and deposits 193 million. This year, the gain in deposits has been somewhat less than the rise of loans. Moreover, in certain states, the expansion of loans in the current year has markedly exceeded the growth of deposits. For example, the country member banks of Kansas have experienced a seasonal expansion of 38 million dollars in loans while adding only 5.6 million to deposits in the period. On the other hand, District reserve city banks have gained 147 million dollars of deposits since the low point of the spring.

DEPARTMENT STORE TRADE

Dollar volume of sales at reporting department stores in this District in September, as in August, was 5 per cent less than a year earlier, and sales in the first half of October fell 7 per cent below a year ago. The fall pickup in sales during September was much less pronounced than usual, and the seasonally adjusted index of daily average sales dropped sharply from 112 per cent of the 1947-49 average in August to 103 per cent in September. This was the lowest point since mid-1951 and was well below the average of about 115 per cent in the first half of 1953. The lag in sales in recent months has been attributed in part to prolonged drought, abnormally hot weather, and a marked decline in farm income this year in much of this area.

DEPARTMENT STORE SALES AND STOCKS

Metropolitan Area, Except as Noted	SALES		STOCKS
	Sept. 1953	9 Mos. 1953	Sept. 30, 1953
	comp. to Sept. 1952	comp. to 9 Mos. 1952	comp. to Sept. 30, 1952
	<i>Per cent increase or decrease</i>		
Denver, Colo.....	-6	0	+18
Pueblo, Colo.....	-7	+4	+25
Hutchinson, Kans. (city)....	-6	+2	*
Topeka, Kans.....	-3	+3	*
Wichita, Kans.....	-3	+2	+11
Joplin, Mo. (city).....	-5	+3	+11
Kansas City, Mo. (city).....	-3	+1	+6
St. Joseph, Mo.....	0	0	*
Omaha, Nebr.....	-2	+3	*
Enid, Okla. (city).....	-19	-5	*
Oklahoma City, Okla.....	-11	-2	+8
Tulsa, Okla.....	-5	+3	+20
All other areas and cities....	-6	+1	+10
District.....	-5	+1	+12

*Not shown separately but included in District total.

Department store inventories increased less than usual during September, and the seasonally adjusted index of stocks declined from 145 per cent of the 1947-49 average at the end of August to 142 per cent at the end of September, showing some further easing from the peak level of 146 per cent reached in July. Stocks of merchandise on hand at the end of September still were 12 per cent larger in value than a year earlier, but the volume of outstanding orders was 19 per cent lower than a year ago.

BANK DEBITS

	Sept. 1953	9 Mos. 1953	Change from '52	
	<i>Thousand dollars</i>		Sept.	9 Mos.
			<i>Per cent</i>	
COLORADO				
Colo. Springs....	59,963	496,905	+7	+2
Denver.....	768,173	6,856,911	-2	+5
Gr. Junction.....	20,976	183,964	+5	+14
Greeley.....	27,758	242,409	-14	-5
Pueblo.....	56,040	506,863	+7	+12
KANSAS				
Atchison.....	10,469	92,359	+8	+2
Dodge City.....	12,249	126,789	-25	*
Emporia.....	10,043	95,667	-16	-6
Great Bend**....	11,449	—	—	—
Hutchinson.....	34,300	373,610	-28	-8
Independence....	8,289	85,830	-16	+6
Kansas City.....	91,606	826,943	+4	+7
Lawrence.....	14,638	131,857	+5	+7
Manhattan.....	11,655	108,576	-1	+1
Parsons.....	10,744	98,626	-7	-2
Pittsburg.....	11,860	124,129	-13	+5
Salina.....	35,402	335,013	-14	-5
Topeka.....	108,858	1,005,640	-6	+6
Wichita.....	326,535	3,049,622	-2	+4
MISSOURI				
Independence....	14,697	137,152	+9	+7
Joplin.....	33,021	295,342	-1	+2
Kansas City.....	1,386,422	12,266,629	+2	+7
St. Joseph.....	106,689	920,821	-5	-4
NEBRASKA				
Fremont.....	20,880	189,728	+5	+4
Grand Island....	29,935	275,583	-11	-2
Hastings.....	18,191	157,725	0	+9
Lincoln.....	100,608	905,095	+10	+8
Omaha.....	650,955	5,661,525	+5	+2
NEW MEXICO				
Albuquerque.....	127,406	1,211,100	+9	+18
Santa Fe.....	36,008	323,043	+5	+7
OKLAHOMA				
Bartlesville.....	192,881	1,758,944	-16	+2
Enid.....	34,787	324,727	-5	-8
Guthrie.....	4,657	44,979	-14	-3
Lawton.....	18,417	176,922	-14	-8
Muskogee.....	27,197	252,246	0	0
Norman.....	9,446	88,806	-1	+12
Oklahoma City..	406,809	3,808,905	+4	+4
Okmulgee.....	8,630	71,581	+7	+9
Ponca City.....	21,402	199,932	0	+1
Tulsa.....	706,017	6,436,479	+8	+10
WYOMING				
Casper.....	48,587	419,724	+3	+5
Cheyenne.....	33,217	301,117	-10	+4
District, 41 cities... 5,656,417	50,969,818	+1	+5	
U. S., 345 cities... 147,873,000	1,301,314,000	+9	+8	

* Percentage change not computed; new reporting center beginning May, 1952.

** Not included in totals; new reporting center beginning July, 1953.