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**This Copy Shall Not Be Released for Publication Before
June 2nd, 1917**

FEDERAL RESERVE BANK OF KANSAS CITY

**CHAS. M. SAWYER
CHAIRMAN BOARD OF DIRECTORS AND FEDERAL RESERVE AGENT**

**Report of Conditions in DISTRICT NO. 10 for the June Issue
of the Federal Reserve Bulletin.**

May 21st, 1917.

AGRICULTURE

The labors of the various state committees for the conservation of agricultural products are meeting with enthusiastic response from all quarters. Publicity bureaus in charge of experts are reaching all classes through the press and by direct propaganda. The past month has been abnormally cold and wet, retarding farm work, but some improvement in growing crops is noted. Brief reviews from various states wholly or partly within this District follow:

COLORADO—The winter wheat is generally good and recent moisture has benefited all crops. A materially increased acreage is being cultivated. Sugar beet planting is well under way and conditions are favorable.

KANSAS—April rainfall was almost as much as during the five previous months combined, causing a general improvement in all crops. State and Government estimates on this year's wheat production agree upon approximately 40,000,000 bushels. The highest estimate received is 60,000,000 as against last year's final estimate of 97,500,000. Sunshine and warmth are the greatest needs at the present time. Alfalfa is looking fine in the eastern half of the state and getting started in the western. Authorities claim that there is a good supply of seed for this season. The gardening area is said to have been doubled.

MISSOURI—The abandoned wheat acreage will probably amount to between 15 and 20 per cent, while indications are that the corn acreage being planted is 40 per cent above the average, being approximately 7,368,000, an area greater than the whole of Belgium. The wheat forecast on May 1st exceeded last year's final estimate by approximately 3,000,000 bushels.

NEBRASKA—Winter wheat has improved. Reliable estimates are that not to exceed 50 per cent has been killed, whereas earlier estimates ran as high as 75 per cent. In many localities tractors are being operated twenty-four hours a day by two or three shifts. The acreage of spring crops has been increased from 15 to 20 per cent over all past seasons.

NEW MEXICO—Commissioner of Public Lands has granted a permit to every holder of a lease of state lands for grazing purposes to use such lands for general farming without increase in rental during the period of the war, covering roughly the right to farm 7,000,000 acres of land, a large portion of which is adapted to some form of cultivation. Liberal permits have also been granted for the farming of tracts in the United States timber reserves.

OKLAHOMA—Only 15 per cent of the wheat acreage has been abandoned, and there has been material improvement in the crop remaining to be harvested, the growing condition of which, on May 1st, was 71 per cent or seven points lower than at the same time last year. Indications are, however, that Oklahoma will produce 31,800,000 bushels of wheat this year as against 29,585,000 last year.

WYOMING—The supply of snow remaining in the mountains at the close of April was unusually large, the depth averaging 42.6 inches or 75 per cent greater than a year ago, assuring an abundant flow of irrigation water if weather conditions for early summer are normal. There is an improved prospect in winter wheat, and it is now estimated that only 10 or 15 per cent of the crop will be plowed up.

LIVE STOCK

The general trend of the prices for all classes has been upward, the highest level ever known prevailing. The movement to the markets increased materially and will unquestionably be reflected in smaller receipts later in the season. Unseasonable weather has caused a severe lamb loss in Wyoming, while many of those surviving are in poor condition. Wool brought the highest price ever paid, from 45c to 50c a pound. There has been noticeable betterment in grazing conditions. Local supplies of cut meats on May 1st showed a decrease from 50,000,000 pounds on May 1st, 1916, to 46,500,000 pounds. Practically every packing center shows a decrease in hog packing for the past two months as compared with the same period last year.

MINING

Colorado mines producing base metals made a record production during the month of April, gold and tungsten showing some falling off owing to the increasing cost of production. In the Missouri-Kansas-Oklahoma field operators are claiming that unless materially advanced prices occur soon, there will be many shut-downs because of the increasing prices of everything that enters into production. However, if the remaining eight months prove as productive as the first four, all records will be broken in the production and valuation of zinc, lead and calamine ores in this field for the current year.

OIL

Contrary to predictions the price of crude oil in the Mid-Continent field remains unchanged, while the shortage of casing and scarcity of rigs has reached an acute stage, causing a number of shut-downs. Both Kansas and Oklahoma reported increases in completed wells in April over March, but a net loss in new production. Rapid development in Wyoming continues.

LUMBER AND CONSTRUCTION

Lumbermen are predicting a shortage for the retail trade due to the great demand of the Government for building material for ships and army barracks, but some insist that there is plenty of lumber at producing points and that the supply will continue adequate regardless of the Government's requirements, the real problem being the question of transportation. There is a healthy and insistent demand for yard stock for general building purposes. Many large firms have withdrawn from the market because they cannot furnish the stock. Order files are the largest ever known and until most of these book orders are filled, but little new business can be handled. Local sash and door factories are running full force, but orders are not quite so heavy as they were thirty days ago. Seven of the twelve important cities reporting show slight decreases in valuation of building permits for April as compared with the same month last year. However, the six cities showing increases, in some cases important, comprise the largest cities in the District. Unquestionably general building operations are not so active, due to the scarcity of material.

LABOR

In spite of the fact that the past month has witnessed an unusual number of voluntary wage increases and bonuses in various lines of industry, there have been increasing demands on the part of labor by reason of the increasing cost of necessities, with a number of strikes and rumors of additional ones. The disturbances reported, however, are scattered and do not affect any considerable number of men in any instance. The shortage of labor is becoming more and more apparent and the farm labor problem particularly is receiving much attention. It is estimated that 20,000 harvest hands will soon be needed for Kansas and Oklahoma.

WHOLESALE AND RETAIL

Flour mills are in active operation and current shipments of products in April were far above normal for the season, the activity being due to excessive buying of flour by housewives, which has now fallen off to some extent by reason of high prices and the fact that millers are discouraging new buying as much as possible.

Local distributors of automobiles report that from many quarters dealers have been taking more cars than called for by their contracts, in spite of diminished crop prospects and the fact that practically all cars represented in this territory have raised their prices, some of them two or three times in the past year.

The wide-spread propaganda of economy has undoubtedly had its effect upon dealers in dry goods, while unseasonable weather has had a further depressing tendency. Wholesalers report a good increase in orders for fall delivery.

The well organized movement to increase the cultivated area, together with the abandonment of considerable wheat acreage, has resulted in the greatest demand for corn tillage tools ever experienced with a decided shortage quite apparent. Many houses report having shipped out as much or more of second order goods as they did upon the original contracts.

General April purchasing activities are reported as practically stationary with April of last year with a slight decrease from March of this year, while collections continue satisfactory.

FINANCIAL

While reports indicate a most satisfactory increase in the gross earnings of railways, the effect of rising expenses is revealed in decreases in net earnings in several instances.

Well maintained business activity is reflected by the largest total clearings ever recorded for April, with gains of from 10.2 to 178.6 per cent, the average for the fifteen most important centers being 50.2 per cent, the greatest gains occurring in Oklahoma. Post office receipts are reported in satisfactory volume. Bank deposits show a healthy gain over the same period a year ago, while the larger city banks show something of a decrease in deposits and an increase in loans since March 5th, as is usual in the spring of the year. Desirable loans continue in demand throughout the District, but there is evidence of a stiffening in discount rates.

GENERAL

The claim of a shortage of food stuffs and the efforts put forth to induce economy are said by many to have been carried to extremes and critics of this policy, believing that legitimate business has been unfavorably affected, are urging the use of the British slogan, "Business As Usual." There has been no discernible abatement in the volume of general business, as indicated by bank clearings and other business barometers, and the attitude of commercial interests is by no means one of apprehension. Government purchases in various directions are adding materially to the normal consumption. As soon as the Government's plans are fully outlined, any uncertainty which now exists will give way to the generous co-operative efforts of the business interests in all lines.

**Statement of Condition of
FEDERAL RESERVE BANK OF KANSAS CITY**

At Close of Business, May 18, 1917.

RESOURCES

Gold Coin and Certificates.....	\$ 8,122,367.50
Credit balances in Gold Settlement Fund.....	22,233,000.00
Legal Tender Notes, Silver Certificates and Subsidiary Coin.....	14,687.00
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Total Cash	\$30,370,054.50
Commercial Paper (re-discounts).....	\$ 802,559.77
Member Banks' Collateral Notes.....	645,000.00
Acceptances.	2,912,685.82
U. S. Bonds with Circulation Privilege.....	8,003,090.00
Other U. S. Bonds.....	838,500.00
U. S. Gold Notes	1,784,000.00
U. S. Certificates of Indebtedness.....	2,510,000.00
Municipal Warrants	430,935.77
Due from other Federal Reserve Banks—net.....	3,645,376.41
All other Resources.....	459,042.61
Federal Reserve Notes.....
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Total Resources	<u>\$52,401,244.88</u>

LIABILITIES

Capital paid in.....	\$ 3,079,100.00
Reserve Deposits—net	45,944,901.05
Federal Reserve Notes—net	777,635.00
Federal Reserve Bank Notes—net
Government Deposits	2,599,608.83
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Total Liabilities	<u>\$52,401,244.88</u>

MEMORANDUM

F. R. Notes issued to the Bank.....	\$25,268,135.00
F. R. Notes in hands of Bank.....	352,365.00
F. R. Notes Outstanding.	24,915,770.00
Gold and Lawful Money with Agent.....	24,138,135.00
Net Liability F. R. Notes Issued.....	777,635.00

CLEARINGS

Total Clearing for week.....	\$56,990,210.86
Total Number of items handled.....	77,388