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**SEPTEMBER 3rd, 1918**

## **FEDERAL RESERVE BANK OF KANSAS CITY**

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ASSISTANT  
FEDERAL RESERVE AGENT.

### **REPORT OF CONDITIONS IN DISTRICT NO. 10, for the September Issue of the FEDERAL RESERVE BULLETIN**

August 15, 1918.

The progress of events during the past month offers a less satisfactory outlook than in July. Corn prospects are much decreased with a yield promised to be considerably less than last year. No improvement has been shown in the coal situation and the seemingly uncalled for slump in Oklahoma oil activities failed to maintain the standard of the previous month. There is a spirit of optimism throughout the Southwest and a desire to do all that is possible to further the Government in its endeavors.

#### **FINANCIAL**

It has been reported that the usual summer slump in business has been less general than in former years. That this is probably true is borne out by the fact that bank clearings in the principal cities of this District for July increased 30% over those of July, 1917. This is a much larger increase over the preceding year than was reported in June.

Financial relief has been promised the drouth stricken portions of the District by the War Finance Corporation with the Kansas City Federal Reserve Bank acting as agent. Movement of crops has caused the demand for money to remain steady with rates firm. The Capital Issues Committee is having a very wholesome effect in curtailing the issues of wild cat securities and other unessentials.

#### **AGRICULTURE**

The outlook for the corn grower is not as bright as a month ago. Unfavorable weather during July climaxed by an extended period of excessive heat caused marked deterioration in corn except in the Rocky Mountain states, where satisfactory progress was made. A considerably diminished yield is now to be expected from this District as many fields throughout Oklahoma, Kansas, and Nebraska are damaged without hope of recovery while other areas over a more extended territory are injured. Winter wheat threshing is being completed with reports of grain of exceptional quality.

Wheat receipts increased in volume as the harvest progressed, amounting to record proportions at some milling centers. Receipts on the local market set a new record for July, equaling almost four times the amount for July, 1917. Demand for flour was well maintained throughout the month but the large arrivals of grain more than sufficed and the premiums over guaranteed prices that were established during the heavy competition for first wheat steadily declined. Milling activity increased as the wheat became available until the maximum capacity of flour output was approached. The average activity during the month was 69% compared with 51% a year ago which is reflected in an increase of 41% in flour production. The sugar beet crop in Colorado is reported to be in excellent condition with prospects of a large yield per acre but the acreage is only about 75% of normal.

### LIVE STOCK

The movement of live stock continues in satisfactory volume with receipts and prices climbing to record figures. The number of cattle, hogs and sheep received at the six principal markets of this District each increased almost 100,000 head over the same month last year, establishing a new July record for total receipts. Not only was there an increase of 22% in hog receipts but the average weight of 217 pounds made a substantial gain over the average of 207 pounds for July a year ago. Hogs commanded record prices for 1918 and prices for some cattle were greater than before.

The enormous trend of cattle to the markets in July was due partly to the dry weather which burned the pastures and generally forced premature shipments. Conditions in the hog market changed from good to the worst of the present year as the weather caused a movement of light and mixed hogs to the market. Demand from the packers was good, hog slaughtering increasing about 10% over July last year, which along with a strong shipping demand caused the high prices for pork featured at the markets. The fall movement of live stock has started, influenced perhaps by the high prices at the markets, and indications point to a heavy run from now on. Ranges are reported to be in the best condition in years in the Rocky Mountain states but need rain badly in Oklahoma, Kansas, Nebraska and New Mexico.

### MINING

There is little change to be reported in the mining industry of Colorado. The tonnage of ore decreased slightly owing to the labor shortage and the continued drafts of men to the army. This may be expected to continue as the available labor supply is diminished. Those gold mining interests which succeeded in surviving the tense period earlier in the year managed to operate through July but it is reported that many of the larger producers are contemplating a shut-down because of the narrow margin of profit now afforded. Those most affected are not the exclusive miners of gold but are the producers of associated minerals of which gold is the main product. The coal shortage is becoming more certain as the year progresses, with prospects of ration cards unless material changes are effected.

The zinc market was quiet and underwent a small decline the last two weeks of July. Shipments in the Missouri-Kansas-Oklahoma district were comparatively large resulting from the efforts of producers to reduce surplus stocks. Stocks of spelter decreased about 3,000 tons during the month, which is said to be due as much to decreased production as to larger shipments. The demand for lead was very heavy but was far from being satisfied and the scarcity of the metal prevented much business.

## OIL

Operations in the Kansas fields compare favorably on the whole with those of June. Although there were fewer completions in July, the new production from the completed wells was greater than in the preceding month. There were not as many large gushers reported but the average yield was an improvement. The total estimated production from Kansas, including both new and old wells, shows an increase of 18% over the corresponding period in 1917.

Activities in Oklahoma failed to equal the high standard of June and the only cause set forth is that the usual lull accompanying the extremely hot weather was more generally felt. Completions were only 40% as many as in June and the new production decreased almost 30%.

Wyoming operations remained practically stationary. One more productive well was drilled in July than in June but the new production suffered a slight decrease. The number of wells drilling equaled those of the month preceding.

## LUMBER AND CONSTRUCTION

Building permits issued for July in the larger cities in this district totaled 44% under those for the same month last year. Construction activities are very limited and business is reported to be unusually quiet. Retail lumber dealers carried larger stocks than normal in most lines through July with a continued small demand from builders. Country orders are now being received in increased volume as the summer advances. Brick production is being maintained at the maximum amount possible but general construction work is gradually slowing down owing to difficulty in securing adequate labor. Road building is much less than at this time last year and the disposition throughout most of the territory is to postpone such work until after the war. More normal conditions are reported in the oil districts of the Southwest than elsewhere.

## LABOR

There were fewer labor troubles during the past month than has been the case heretofore and with Government control of the employment situation, which has lately been assumed, the outlook is brightened for the essential producer. From the states wholly within this District, government agencies received in July applications from employers for some 30,000 persons and about 15,000 applications from those desiring employment. Since the harvest the greatest demand for workers has come from the mining districts of Colorado and the Missouri-Kansas-Oklahoma district and from the oil fields. Changes in immigration restrictions which permit a larger movement of Mexican laborers to the Southwest offers a means of relieving the shortage in that section.

## MERCANTILE

Merchants are finding it increasingly difficult to secure stocks of many lines for as the needs of the Government are increasing the surplus merchandise for the consumer is being diminished. Those who are so fortunate as to have large stocks of goods on hand find little difficulty in disposing of them, but on the contrary are rapidly assuming the policy of conservation. This District is not affected as much by the high wages being paid in some industries as the number of manufacturing establishments are relatively small when compared with some other sections of the country. In the cities, however, the larger employment of women is being reflected in the sales of retailers. Many of the women now employed have not worked before or are earning much more than formerly and their extended buying is in noticeable amounts. Wholesale trade is good and manufactures continue active. Collections are reported as being fair to good. General conditions in the mercantile line may be considered satisfactory as increased purchase activity is being accompanied by a decrease in indebtedness.

**Statement of Condition of**  
**FEDERAL RESERVE BANK OF KANSAS CITY, INCLUDING BRANCHES,**  
**At the close of business August 16th, 1918**

**RESOURCES**

Gold with Federal Reserve Agent.....	\$ 36,790,240.00
Gold Coin and Certificates.....	1,408,127.50
Gold held with Foreign Agencies.....	291,443.73
Credit Balances Gold Settlement Fund.....	39,097,678.40
Legal Tender Notes, Silver Certificates and Subsidiary Coin .....	295,092.00
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Total Reserve Cash .....	\$ 77,882,581.63
Total Non-Reserve Cash .....	6,394,792.68
Commercial Paper Rediscounts.....	44,343,625.78
Member Banks Collateral Notes.....	22,049,626.69
Acceptances .....	128,947.60
Bank Premises .....	500,000.00
U. S. Bonds with Circulation Privilege.....	8,002,490.00
Other U. S. Bonds.....	868,500.00
U. S. Gold Notes.....	1,168,000.00
U. S. Certificates of Indebtedness.....	136,000.00
Due from other Federal Reserve Banks.....	12,023,963.77
Due from Depository Banks and Trust Cos.....	44,639,209.75
Due from Branches and Offices.....	5,561,295.57
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Total Resources .....	\$223,699,033.47

**LIABILITIES**

Capital Paid in.....	\$ 3,545,050.00
Reserve Deposits, Net.....	68,062,723.98
U. S. Government Deposits, General Account.....	7,721,528.60
U. S. Government Deposits, Special Account .....	44,639,209.75
Federal Reserve Notes Outstanding .....	90,751,540.00
Federal Reserve Bank Notes .....	7,819,600.00
All Other Liabilities .....	1,159,381.14
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Total Liabilities .....	\$223,699,033.47

**CLEARINGS**

Total Clearings for Week.....	\$132,828,418.48
Total Number of Items Handled.....	28,457,900