

THE MONTHLY BULLETIN

Covering Conditions in the Tenth Federal Reserve District

FEDERAL RESERVE BANK OF KANSAS CITY

For the Information of Member Banks and Business Interests of this District

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A QUICKENING of industrial energy apparently has come with the ushering in of spring somewhat in advance of the scheduled time for its arrival. It is evident from the reports to the Monthly Bulletin that the people of this district have concluded that after all the real solution of the abnormally high prices, industrial unrest and other economic problems is in an increased output of agricultural, mineral and manufactured products and the betterment of facilities for their distribution.

While the various lines of trade are taking on something more than their usual spring-time activity in consequence of heavier seasonal demands the farmers—seriously handicapped by shortage of help—have taken a fresh grip on the situation. By using the help available they have, with the early start afforded, prepared the soil for a larger acreage of spring planted crops than would have been possible had the spring been late in coming, thereby to some extent making up for the reduced acreage sown to wheat in the fall. Increased productiveness is being undertaken with some show of success in the oil fields and also in the mining sections, as the reports indicate. Manufacturing in cities and towns is putting forth newly acquired effort, though productivity is still below demand and deliveries are far behind orders.

The railroads, returned by the Government to their owners March 1, are expected to bring relief to the crippled transportation system, but the period of operation under corporation management has been too short to determine what improvement, if any, has been made thus far.

The situation respecting the supply of labor is somewhat easier, though the larger program of industrial activity for the season means plenty of work for all hands.

A survey of the situation made by the Monthly Bulletin points clearly to the fact that while there is an imperative need of larger production from the farms, ranges, mines and oil fields and factories, the need of a big construction year is as urgent in the Tenth Federal Reserve District as it is in any other section of the United States. Nearly every community is sadly in need of dwelling houses and a great cry is being made against poor and inadequate housing conditions and high rents. The reports further indicate a need of more buildings for the accom-

modation of business enterprises and factories which should now be rapidly expanding to meet the demands on them for goods and products. Public improvements of all kinds, including extensions and betterments of transportation, are also demanding attention at this time, since longer neglect is sure to further restrict and hamper business.

But to what extent this very essential construction work is to proceed during the open season of the year must depend upon the readiness with which such enterprises can be financed at this time when the money market is hampered by demands for funds for non-essentials and for speculation. Also of importance in the carrying out of a construction program of such magnitude is the necessity of a stabilization of prices on materials of all kinds, as well as of wages to building trades employees, in order that prospective builders and contractors may have something of a definite knowledge of construction costs. It is further apparent that an increased supply of materials, together with an improvement in the methods of distribution, is necessary to insure larger activities. The reports indicate that production of materials is handicapped by shortage of labor in many instances, while a vast amount of work is already held back on account of the unpreparedness of the railroads to make deliveries of materials.

FINANCIAL

The statement of the Federal Reserve Bank of Kansas City and branches as of March 12, reflects the heavy demand for funds for farm settlements which in this agricultural district makes March an exceptional month in financial activities. Gold reserves were \$82,713,229.39 as compared with \$87,117,727.96 on March 5 and \$86,887,212.66 on February 13. The ratio of total reserves to net deposits liabilities and Federal Reserve notes liabilities combined was 45% against 45.6% one week previous and 47% one month previous. Bills discounted which were secured by United States Government war obligations totaled \$39,778,573.08 against \$40,211,086.08 on March 5 and \$32,635,862.83 on February 13. Other bills discounted were \$61,209,251.31, a decrease of \$1,026,389.54 from the total for March 5 but \$6,881,455.49 more than the total on February 13. Open market purchases or bills were \$4,376,009.01, which is \$1,173,531.82 less than one week previous and \$7,475,003.32 less than a month previous. Total gross deposits as of March 12 were

\$166,587,191.20 as compared with \$184,364,863.86 on March 5 and \$169,896,963.35 on February 13. Federal Reserve notes in actual circulation on March 12 were \$102,783,935, which compares with \$103,189,550 reported one week previous and \$100,539,195 one month previous. As an indication of the extent of the transaction of the Federal Reserve Bank and its branches the statement for the week ending March 12 shows clearings aggregating \$301,105,709.31, with 1,043,184 as the total number of items handled in the one week. The statement of March 14, 1919, showed clearings for the week \$174,052,910.09, and a total of 513,600 items were handled in that week.

Condition Member Banks.—Eighty-three selected member banks in the Tenth Federal Reserve District increased their loans \$16,829,000 between February 6 and March 5 this year, although the total of loans secured by U. S. war obligations was only increased to the amount of \$726,000 in that period. At the same time these eighty-three selected member banks reduced their holdings of U. S. securities \$426,000. Reserve balances of these banks on March 5th were increased \$514,000, while net demand deposits on which reserve is computed totaled \$481,019,000 on March 5 as compared with \$469,811,000 on February 6. Time deposits in that time also increased in the month to the amount of \$3,594,000.

Clearings.—Reports of clearings for February at twenty clearing houses of this district totaled \$1,622,677,044, representing a decrease of 17.8% for the short month as compared with January clearings, but 32.3% increase over clearings in February, 1919. A noticeable feature of the reports is that while clearings at the larger market and jobbing centers reflected a large increase over the corresponding month in 1919, the clearings at the principal cities in the mining and oil districts also showed large increases for February over the clearing for that month last year. In no city of the district were the clearings for February below those of February, 1919. An increase of 584.2% reported by the clearing house association of Kansas City, Kans., was due to a more complete organization of state banks in the clearing house. Total clearings for January and February aggregate \$3,598,739,271 for the twenty clearing houses, compared with \$2,724,307,283 reported by eighteen clearing houses for the first two months of 1919.

The Demand for Money.—March 1st settlements on land contracts created an abnormal demand for funds in certain section of this district during the early part of March, and it is expected that seasonal requirements will cause continued heavy borrowing. The demand has apparently not been materially affected by the increased rates although it is thought that

banks in this district are endeavoring to confine their loans to essentials.

Offerings of acceptances have been limited and while some commercial paper is being purchased by the banks in this district the volume is comparatively small and the rates are strong.

Treasury Certificates.—While it is expected that income and profits taxes will be collected in the aggregate amount of 25 to 30 million dollars during the month of March, Treasury Certificates of Indebtedness held in this district in the aggregate amount of approximately 33 million dollars mature March 15th; hence it is not expected that any disturbance will be caused by the tax payments.

Collections.—Very heavy sales by wholesalers and jobbers late in February and in early March brought the percentage of outstanding accounts up somewhat as compared with a year ago; but payments as a whole are better now than at any period of comparison. Retailers with scarcely a single exception report collections good.

Failures.—The low record of the Tenth Federal Reserve District in commercial failures was maintained in February. According to the reports of Dun's Review the failures in this district in February numbered 29 and the liabilities were \$484,025. This compares with the record of February, 1919, of 28 failures and \$265,103 of liabilities.

Railroad Receipts.—Freight collections at Kansas City for February, 1920, were \$4,298,497.84, as reported by the Railway Clearing Association. Compared with the freight receipts of February, 1919, there was an increase of \$366,992.07, or 9.3%.

Bank Clearings, Twenty Cities, February.

	1920	1919	% Gain
Kansas City, Mo.....	\$ 924,040,930	\$ 692,935,214	33.0
Omaha, Neb.	222,901,956	199,782,575	11.6
Denver, Colo.	136,359,289	93,826,746	45.3
St. Joseph, Mo.....	71,545,481	68,443,208	4.5
Wichita, Kans.	53,871,389	36,864,036	46.1
Tulsa, Okla.	53,086,074	36,021,855	47.3
Oklahoma City, Okla...	50,891,663	35,736,259	42.4
Lincoln, Nebr.	21,860,030	15,608,742	40.0
Muskogee, Okla.	17,429,304	11,109,636	56.8
Kansas City, Kans....	16,010,338	2,340,441	584.2
Topeka, Kans.	14,372,145	13,171,948	9.1
Joplin, Mo.	7,821,189	5,976,700	30.9
Cheyenne, Wyo.	6,622,722		
Okmulgee, Okla.	5,287,268		
Colo. Springs, Colo....	4,832,409	2,980,611	62.1
Bartlesville, Okla.	4,408,080	3,175,764	38.9
Pueblo, Colo.	3,622,744	2,670,527	35.7
Hastings, Nebr.	3,099,899	1,837,204	68.6
Fremont, Nebr.	2,885,430	2,253,032	28.1
Lawrence, Kans.	1,728,704	1,450,014	19.2
February Total	\$1,622,677,044	\$1,226,184,512	32.3
January Total	1,976,062,227	1,498,122,771	31.9
Year to date.....	3,598,739,271	2,724,307,283	32.1

Condition of Eighty-three Selected Member Banks, Tenth Federal Reserve District.

	Mar. 5, 1920	Feb. 6, 1920	*Mar. 7, 1919
Total U. S. Securities.....	\$ 53,243,000	\$ 53,669,000	\$ 88,559,000
Loans secured by U. S. war obligations (Liberty Bonds, Victory Notes, Certificates of Indebtedness).....	20,446,000	19,720,000	10,362,000
Loans secured by Stocks and Bonds other than U. S. Securities	80,222,000	76,122,000	
All other loans and investments.....	484,894,000	472,891,000	444,737,000
Reserve Balance with Federal Reserve Bank.....	55,887,000	55,373,000	42,433,000
Net demand deposits on which reserve is computed.....	481,019,000	469,811,000	383,530,000
Time Deposits	95,158,000	91,564,000	65,827,000

*Seventy-six Banks Reporting.

MERCANTILE

Wholesale dealers report the volume of business in most lines generally satisfactory for this season and largely in excess of one year ago. Country merchants evidently are looking for a slump in prices and are buying in small lots, but the demand for immediate needs is such that the large number of small orders go to make up an immense volume of business for the wholesalers. Some difficulty is still experienced by wholesalers in obtaining sufficient merchandise to supply their customers. This is particularly noticeable in certain lines of dry goods. In some other lines complaint is made of a tendency on the part of manufacturers and jobbers to place their entire stocks of merchandise in the hands of retailers, a condition which it is said will eventually work financial hardship on all retailers.

Trade Activity.—The demand for clothing continues but deliveries are slow because of the tailors' strike last fall and there seems to be no immediate prospect for lower prices in this line. Shoe dealers report large orders on hand and while there is a great demand for medium priced footwear the manufacturers are promising nothing in the way of price concessions.

Drugs are in extra good demand, due in part to the influenza epidemic.

Furniture dealers and manufacturers find it difficult to obtain goods to supply their trade. The tendency is to demand better grades of merchandise and usually buyers want immediate delivery. Buying is reported heaviest in Colorado and New Mexico. The influenza epidemic is said to have materially affected the trade in musical merchandise in February, and there is also an indication that increasing prices is causing hesitation in buying.

The grocery trade shows indications of a tendency to buy for immediate wants and in such quantities as necessary. Speculative buying has been practically eliminated. Prices on the whole are slightly easier on food stuffs, breadstuffs and meats. It is predicted that in the readjustment of all values prices will gradually recede.

The hardware trade is developing greater activity with the coming on of a brisk building season with prices ruling high and supplies short of demand.

Present indications are favorable in respect to the sale of automobile supplies and accessories. The automobile season, near at hand, is bringing a rush of buyers of cars, but there is an inadequate supply of new low priced models. This, together with an indication on the part of many to slow down on expenditures, is expected to be a boost for automobile accessories.

February Sales.—The mercantile activity at this season is shown in reports to the Monthly Bulletin from established business houses at trade centers of the district. The department stores reporting indicated a decrease of sales amounting to 13.9% from the January record, but an increase of 31.6% as compared with the sales in February, 1919. Stocks on hand at the close of February in these stores were 13.3% larger than at the close of January and 30.7% larger than at the close of February a year ago.

The reports of twenty-eight other retail establishments, including furniture and hardware stores, showed an average of 4.1% increase of business over the previous month and an average of 43.1% increase over the same month last year. Stocks of goods at the end of February were 8.7% more than at the close of the previous month and 26.7% more than one year ago.

Wholesale houses reporting indicate an increase of 81% in the volume of February trade over that of the same month last year, due to larger supplies of goods for distribution and the higher prices at which sales were made. Stocks on hand at the end of February were only about 5% larger than one month previous but were about 40% more than on the last day of February, 1919.

During the month business was particularly good with the mail order houses. This was owing chiefly to the 60 days sales and a general feeling of confidence which seems to be spreading over this section of the country. February sales in several departments increased 100% over January of this year.

AGRICULTURE:

Exceptionally mild weather, with the usual amount of sunshine and a general deficiency of rain or snow to moisten the upper soil, were features of the February reports which came from practically all sections of the great agricultural region lying between the Missouri river and the Rocky Mountains. The insufficiency of moisture, taken in connection with the fact that there was an unprecedentedly scant precipitation in January and December, caused considerable apprehension concerning crops now in the ground and prospects for the early planting. Slight rains in the southern sections and light snows over the Great Plains in the first week of March brought some moisture, though followed by severely cold weather which brought farm work to a stand-still for several days. But with the return of the warm weather in the second week of March it was apparent that a great amount of moisture is still needed to insure good crops this year. The mild weather, however, has been excellent for plowing and preparation for spring planting and farmers have taken advantage of this situation and there has been more activity in their fields than is usual for this season of the year.

Crop Conditions.—The monthly canvass of crop conditions by the Departments of Agriculture in the states of this district does not begin until after the growing season has thoroughly opened and farmers are able to tell with some certainty just what conditions are—the first of the reports giving percentage of growing conditions of the various crops appearing usually in April. In the absence of official information as to conditions at this time some very discouraging and decidedly pessimistic reports from scattered sections have been appearing in the press dispatches. The statements of the secretaries of agriculture who are not wholly without reliable information on the subject, are more encouraging.

"Most of the casual reports we have received concerning wheat are quite optimistic," writes J. C. Mohler, the Kansas secretary, on March 1. "Usually under such conditions as have prevailed there is good

rooth growth developed and the plant will undoubtedly respond in a remarkable way when moisture comes." Mr. Mohler also says of the winter wheat: "I think little wheat indeed has failed to survive the winter and with timely and abundant moisture henceforth we may look forward to good returns."

On March 18 and 19—after the foregoing statement was made by Mr. Mohler, a severe gale swept over Kansas and parts of Nebraska and Oklahoma, the high wind blowing out a good deal of wheat and doing considerable damage. Commenting on this situation, Mr. Mohler said:

"There isn't any doubt that the wind did a lot of damage; how much we cannot tell at present. But it is a good deal. But just give Kansas a rain and some warm weather and the farmers will find they have a lot of wheat growing. I have seen the same thing happen many times in the last thirty years. It is not unusual. Today there are fields which look like they were completely wiped out. But a nice warm rain and a warm day will bring thousands of acres of wheat that looks dead today out of the wreck and produce a good crop.

"In addition to this, only a part of the big wheat country is affected. Northern Kansas has not been severely injured, as there were heavy fall rains and considerable snow. In the south central and southwestern parts of the state the winter has been extremely dry and there considerable wheat was entirely blown away or covered up."

The secretary of agriculture for Nebraska, Lee Stuhr, in a letter dated March 3, said: "Ninety percent of the reports are to the effect that the winter wheat is in excellent condition and the remaining ten percent report conditions as being fair to poor."

Conditions in Colorado are set forth by the secretary of agriculture, Howard D. Sullivan, in a letter of March 5, which says: "Our reports last fall showed that the farmers in Colorado had planted 91% as much winter wheat and winter rye as they planted in the fall of 1918. On the eastern side of the range where crops are grown most extensively there was a deficiency of moisture at planting time and for some weeks after and much of the grain did not come up. Reports from growers gathered in the past two weeks indicate that the condition of winter wheat is slightly below 90% normal. This low condition, our reporters tell us, is accounted for chiefly by the fact that the dry weather in the fall prevented good stands in many localities. The weather is now favorable for overcoming this adverse condition and the backward grain is already beginning to come up in the warmer districts. Present conditions point to a light spring abandonment of winter wheat."

The Missouri report of the United States Bureau of Crop Estimates, issued March 4, is to the effect that the condition of winter wheat for that state is poor because the crop went into the winter in bad condition and has not had enough snow covering. Flat land has had considerable strips of water and ice which will very likely show up in dead spots. Many reports state that wheat is beginning to green up nicely.

Several reports to grain dealers and elevator men have described the conditions of wheat as being very

low in Oklahoma, some of the reports placing it as low as 55% in certain localities, due to unfavorable weather conditions in the late fall and winter. The late report of the Bureau of Crop Estimates, however, is to the effect that winter wheat in that state is slowly showing the effects of the favorable weather of the past few weeks, thereby indicating improvement.

In New Mexico, where there is an unusually large acreage of winter wheat, the March report says that up to that time there had been no abandonment of winter wheat in that state. Conditions were favorable to all fall grains and the seeding of a considerable acreage of spring wheat was under way. It was said that insufficient snow had fallen on the higher levels for storage of water.

Sowing Oats Early.—A Kansas report says that 30% to 50% of the acreage of oats had been sown by March 1 in the southeastern counties and some sowing had been done as far north as the Kansas river. With favorable weather it was said the bulk of the oats would be in the ground by the middle of March. Missouri's acreage, at least in that part of Missouri which is in this district, will be up to that of last year, although cold weather and muddy fields interfered with the preparation for planting in some sections. In Oklahoma the seeding of oats is progressing very rapidly, according to reports, and there is a prospect for a large increase of acreage. New Mexico reports seeding of oats going on under conditions that are highly favorable.

Increased Corn Acreage.—Indications point to a larger acreage of corn this year than was grown last year in all of the corn states, depending of course on conditions in the next sixty days. In the western counties of Missouri a considerable acreage plowed for wheat last fall and which was not seeded will go to corn. Oklahoma promises an increase of the corn acreage since the wheat area in that state is about 1,000,000 acres less than last year. The Nebraska report says that "it is too early to make any estimates as to spring planting, but in a general way the indications are for a very early spring." Which, for that state means an increased acreage of corn.

Sugar Beets.—The reports from the mountain states encourage the belief that a compromise between the growers and refiners over prices is about to be effected and there will be a large increase of acres planted to sugar beets in Colorado, Wyoming, Western Nebraska and Kansas, as well as in adjoining states outside of this district. While the Mountain States growers have been contending for a sliding scale of prices for their beets, based on sugar prices at seaboard, it has been indicated that the growers will accept a flat rate per ton for their 1920 crop of beets. The refining companies have announced a willingness to pay \$12.00 per ton, which compares with the contract price of \$10.00 per ton paid for the 1919 crop. The refiners point out that on three different occasions, when results exceeded expectations, the Great Western Sugar Company voluntarily paid growers a bonus.

It is realized that the country will be short on sugar unless some understanding is reached between the growers and the refiners which will insure a larger

production of beets in the Mountain States District.

Montrose, Colorado, is promising an increase of sugar beet acreage from 800 acres last year to more than 5,000 acres this year, the latter figure being demanded by the Midwest Sugar Company as a guarantee for locating a sugar refinery there.

Grain Movement.—Arrivals of wheat at the markets of this district in February were the largest for that month since 1916, and although they fell short of the January receipts by about 39% they were more than double the receipts in February, 1919. Kansas City reports a total of 4,213,350 bushels of wheat received in February as against 6,330,000 bushels in January and 1,291,950 in February, 1919. Prices had a wide range, No. 1 hard wheat selling early in February from \$2.35 to \$2.75 and closing at \$2.40 to \$2.55, or 20c to 25c lower. Poor flour trade is said to have had something to do with the falling off of receipts and the condition of the market, although grain men are inclined to consider the car shortage and uncertain conditions for the 1920 crop as being responsible for the holding back of wheat. It is estimated that Kansas farmers on March 1 still had about 36,000,000 bushels of wheat on their hands, or about 24% of last year's crop. This compares with 4,080,000 bushels in farmers' hands one year ago. It was also estimated that about 20% of the 1919 crop of wheat grown in Nebraska was still on the farms.

Receipts of corn at the markets were about 35% larger in February than in the previous month and about 21% larger than the receipts for the same month last year. The large February movement was influenced to some extent by a heavy feeding demand from the Southern states. At the beginning of the month No. 2 mixed corn sold at \$1.46@1.48 and the month closed with quotation at \$1.40@1.42.

Oats receipts were heavy in February and there was a strong shipping demand from the South and Southwest. No. 2 white oats sold up to 94c at Kansas City and red seed oats established a new high record at \$1.05.

Flour Milling.—The flour trade, aside from orders already booked, was very unsatisfactory during the greater part of the month. This, with the embargo in the East, caused a slowing down of milling operations, to the extent that the output in February was the smallest for three months. The Northwestern Miller's reports of flour output at Kansas City, Omaha and at 88 interior mills in Nebraska, Missouri, Oklahoma and Kansas outside of Kansas City, place the

total barrels of flour manufactured in the four weeks of February as follows:

	Feb., 1920	Feb., 1919
Kansas City	283,100	165,600
Omaha	75,605	29,450
Eighty-eight outside mills	1,176,373	760,283
Total barrels reported	1,535,078	955,333

While the foregoing figures do not represent the entire flour milling output of this district, they are indicative of the activity of the industry.

Flour Prices.—February reports showed declines in all grades of flour amounting to about \$1 per barrel on the best and lowest grades and a little below that on the medium grades. The quotations for Kansas City for the week of February 4 and for the week of March 3 are here given:

	Feb. 4	March 3
Short patents	\$13.25@14.00	\$12.25@12.95
Standard patents	12.25@13.00	11.65@12.05
Straights	11.95@12.55	11.40@11.70
Cleans	5.25@10.75	5.95@ 9.50

Western flour millers are to some extent resuming their foreign trade connections according to reports of millers. The bulk of their recent export sales have been made to Egypt, but some trade with Asiatic and European countries is reported.

LIVE STOCK.

The reports generally indicate that farm and range live stock fared well during the first two months of 1920. The stock is healthy and there were very few losses from disease and exposure. The mild weather of the late winter made for excellent pasture and range conditions in the entire district except on the western slope of the mountains where heavy snows required shelter and heavy feeding. With this one exception feeding throughout the district this season has been light.

At the Markets.—The movement of live stock to the six principal markets of this district in February totaled 25,643 cars as compared with 37,006 cars in January and 31,422 cars in February, 1919. Receipts of cattle were 31% less than in January and 13% below the record of February last year. Receipts of calves showed a loss of 19% from the January marketings but were 30% more than the number which came to the markets in the second month of 1919. The largest slump was in hogs, the arrivals at the markets in February being 38% less than those arriving in January and 40% below the total number of hogs coming to the markets in February of last year. Receipts of sheep were heavy for February, the arrivals being close up to those of January and about 35% larger than a year ago. The receipts of

Receipts of Live Stock at the Markets of the Tenth Federal Reserve District in February, 1920, with Comparisons.

	Cattle	Calves	Hogs	Sheep	Horses & Mules	Cars
Kansas City	142,055	15,393	209,779	126,875	15,331	9,424
Omaha	103,592	5,570	221,290	178,810	2,292	7,982
Denver	25,901	2,795	35,285	127,720	1,842	2,007
St. Joseph	48,708	6,400	129,512	85,673	4,407	4,236
Oklahoma City	21,843	3,056	21,782	1,143	1,239	1,001
Wichita	17,726	31,291	697	3,988	993
Total Feb., 1920	359,825	33,214	648,929	520,918	29,099	25,643
Total Feb., 1919	413,834	25,458	1,097,232	385,106	14,674	31,422

horses and mules fell off 16% from January but were nearly double the receipts for February of last year. Storms in the East interfered with the shipping demand, the opening of the Lenten season cut down the demand for fresh meats, while another factor which influenced the reduced marketing of animals was the slow export meat trade.

Prices.—The month of February showed a decline in prices of all grades of cattle in the face of the light receipts. The top price of beef steers for the month was \$14.50, on the 2nd, while the top price at the close of the month was \$13.25. A slight improvement was noted at the end of the first week in March when the top price of beef steers reached \$14. Sharp advances also were scored in all divisions and the cattle trade assumed a healthier tone than for several weeks. It is noted that a good many feeders have been cashing in cattle purchased last fall at high prices and putting in fresh young feeders, purchased for less money. Hog prices, which at the beginning of February were \$14.85@15.15 on bulk sales and \$15.40 as the top, were forced down to \$13.75@14.50 at the close of the month. In the first week of March hogs regained some of the lost ground and on the 6th bulk sales were made at Missouri river points at \$14.75@15.15. Final prices of sheep and lambs for the month were generally steady with those at the end of January and \$1 to \$1.40 higher than a year ago.

Packers' Activity.—Meat packing operations in February showed a marked falling off in comparison with the record of February, 1919, and in a slightly larger proportion than the reduction of the supply of meat animals. The record of packers' purchases shows that in February they took 51% of the cattle, 88% of the calves, 74% of the hogs and 56% of the sheep coming to the six markets of this district. This compares with their purchases in February of last year which were 54% of the cattle, 80% of the calves, 82% of the hogs and 63% of the sheep marketed. Purchases of animals for slaughter in February are here given for the packing centers of the district:

	Cattle	Calves	Hogs	Sheep
Kansas City	66,729	16,013	136,913	92,869
Omaha	63,320	3,090	159,627	113,117
St. Joseph	29,671	5,846	107,950	61,696
Denver	8,636	2,183	29,665	24,558
Wichita	6,296	28,663	471
Oklahoma City	10,278	1,970	15,658	646
February, 1920	184,930	29,102	478,476	293,357
February, 1919	222,777	20,326	932,047	245,341

The market for horses on farms is dull at this time but good prices are being paid for heavy draft horses and heavy draft mares. Indications are that more mules will be raised this coming year than horse colts.

PETROLEUM

Unofficial estimates on the February production of crude oil in Kansas and Oklahoma place the total number of barrels for the two states at 9,548,250, which is an average daily of 329,250 for the twenty-nine days. This compares with the official output of crude oil in February, 1919, of 8,546,853 barrels, or a daily average of 305,244 barrels. February this year

also showed some improvements over January, the daily average being 5,000 barrels more than the 29-day month than the daily output for the previous month of 31 days.

The increased production indicated by the February figures was from Kansas and from Oklahoma's outside fields, the Cushing and Shamrock and Healdton fields of the latter state showing a slight reduction when compared with the record of February, 1919. Mild weather conditions in Wyoming in February were favorable to an increased oil output in that state.

Development Operations.—February work in the oil fields brought a slight increase of completed wells and some increase of daily new production, and also an increase of new rigs and wells drilling which is indicative of greater activity in oil developments. Kansas showed less daily new production by 5,380 barrels than in January, while Oklahoma made a gain of 6,307 barrels daily new production. Wyoming made a slight gain of 84 barrels daily. The following indicates the development activities in the fields of this district in February:

	Completed Wells	Brls. Daily New Production	Rigs & Wells Drilling
Kansas	181	13,343	484
Oklahoma	568	39,075	1,952
Wyoming	17	1,499	570
February, 1920	766	53,917	3,006
January, 1920	655	52,906	2,980
Difference	111	1,011	26

Oil Prices Increase.—The growing demand for oil and the knowledge that production continues to fall short of the demand has brought an increase in prices of crude oil in all of the fields. Refiners, large and small, are engaged in a scramble to obtain supplies, whereas a year ago producers were glad to get \$1.60 a barrel for their crude oil, which is now bringing \$2.50 to \$3.50 per barrel in the Kansas and Oklahoma fields and \$2 and better in Wyoming. Kansas crude oil at the end of February was selling at \$1.25 more than in December and on top of this a raise of 25 cents per barrel was made the first week in March.

Oil Prospects Good.—The recent enactment by Congress of the oil leasing bill is to be followed by the development of a vast area of land regarded as having favorable oil possibilities. According to the U. S. Geological survey these lands aggregate 6,525,605 acres, of which 1,083,900 acres are in Wyoming and 467,030 acres are in Colorado; Utah, California and Montana claiming the bulk of the remaining acres. The most promising prospective acreage is said to be in Wyoming and Colorado where the oil resources have scarcely been scratched. While the bill will not become really operative until the Interior Department clears up some points concerning existing claims, there can be no doubt but that it will open up the development of vast oil resources that have virtually been locked up for years. Meanwhile there is a prospect of greater activity in oil development and production throughout Kansas and Oklahoma, while there is also considerable prospecting in Nebraska and New Mexico.

MINING.

Zinc and Lead.—The month of February witnessed heavy shipments of zinc blende ore from the Missouri-Kansa-Oklahoma district, although the average price paid for zinc was approximately \$4.50 lower than the previous month. The total shipments for the month were 50,456 tons of zinc or an average of 12,614 tons per week, as compared with 10,000 tons last month and 9,857 tons for the same period last year. The average price paid was \$51.21, as compared with \$56.82 last month and \$41.72 for February, 1919. The total value of zinc blende ore shipped was \$2,584,198. There is approximately 30,000 tons of zinc blende ore in the bins of the ore producers, which has been purchased, and which compares with 12,000 tons for the month of February, 1919.

Calamine shipments for the month were also larger than have been recorded for several months, 1,169 tons being shipped, or a weekly average of 292 tons. The average price obtained for calamine during the month was \$40.00, which compares with \$25.00 to \$30.00 for the same period last year.

Lead ore to the value of \$859,439 was shipped from the district during the month. The total number of tons shipped was 8,436 or an average of 2,114 tons weekly, which brought an average price of \$101.63. This average price compares with \$98.19 for last month and \$61.95 for the same period last year. There is approximately 100 tons of surplus stocks in the bins of the ore producers, practically the entire tonnage is bought up each week.

Weather conditions during the month have been excellent and the production during the entire month has averaged around 9,000 tons of zinc. Each week sees additional properties being opened up, and great activity is anticipated in this respect during the next few months.

The problem of moving the accumulated ore from the district is a difficult one, as has been during the past eight or nine months. The shipments now approximately equal the weekly purchases, and with the 60,000 to 80,000 tons of accumulated stocks and the activity in opening up new properties, the problem is indeed a serious one.

Metal Mines.—Conditions of metal mining in Colorado have been showing considerable improvement. The labor situation has been improving and except in the case of the smaller and more remote camps, the operators seem to have all the men they need.

A large number of new operations are being started, particularly in those camps where silver values predominate. Authentic reports of new ore bodies in various parts of the state have been received and the production of ore is on the increase.

Coal.—The coal mines of this district were busy through February and the percent of operation to capacity was high as compared with former months. The highest percent, which was 83.2% of capacity, was in Colorado where conditions were generally more favorable for coal production than for some time. The following shows the percentage of present full time output of bituminous coal in this district and also the percent of losses on account of transportation disability, labor shortage, strikes, mine disability and no market:

State	Production % Cap.	Trans. Disab.	Labor Shtg.	Strikes	Mine Disab.	No Market
Colorado	83.2%	9.0%	0.4%	0.3%	1.7%	4.3%
Kansas	63.5%	19.0%	2.8%	0.9%	12.1%	1.3%
Missouri	74.9%	4.4%	4.4%	0.2%	7.7%	7.7%
Oklahoma	81.6%	6.4%	2.9%	0.6%	5.0%	3.4%

It will be observed by the foregoing that transportation disability and mine disability were responsible for the greater part of loss of operating activity.

BUILDING AND CONSTRUCTION.

Permits issued in February in seventeen cities of this district authorized the erection of 1,754 buildings estimated to cost \$7,151,736. This compares with 1,044 permits issued in February, 1919, and the estimated cost \$2,052,839. The total for February, however, was \$1,640,219 below the estimated cost of buildings for which permits were issued in January of this year. The permits issued in the first two months of 1920 numbered 2,939 and the estimated cost of buildings was \$15,943,691. This compares with 1,702 permits and an estimated cost of \$3,605,031 for the first two months of 1919, the increase for the two months of this year being 342.2% on the estimated cost.

Building Operations, Seventeen Cities, for February.

	New Construction		Repairs & Alterations		Total Construction		Increase
	Number	Value	Number	Value	Number	Value	
Tulsa, Okla.	175	\$2,244,900	70	\$ 74,500	245	\$2,319,400	560.7%
Omaha, Nebr.	52	825,113	88	275,038	140	1,100,150	300.4%
Denver, Colo.	237	654,450	141	175,350	378	829,800	278.5%
Oklahoma City, Okla.	70	607,268	119	202,423	189	809,691	461.8%
Kansas City, Mo.	108	465,100	183	175,300	291	640,400	77.5%
Wichita, Kans.	90	493,600	38	60,530	128	554,130	250.2%
Okmulgee, Okla.	52	187,450	24	105,250	76	292,700	51.6%
Muskogee, Okla.	15	106,300	8	19,575	23	125,875	41.9%
Lincoln, Nebr.	21	93,858	38	31,287	59	125,145	83.5%
Colorado Springs, Colo.	18	89,450	50	13,615	68	103,065	2155.2%
Kansas City, Kans.	16	63,300	27	26,190	43	89,490	41.7%
Topeka, Kans.	6	31,000	25	24,850	31	55,850	84.9%
St. Joseph, Mo.	7	22,900	20	28,375	27	51,275	173.4%
Pueblo, Colo.	6	11,750	25	14,490	31	26,240	13.1%
Cheyenne, Wyo.	5	12,300	5	2,900	10	15,200	253.5%
Joplin, Mo.	4	2,000	9	5,325	13	7,325	*60.5%
Leavenworth, Kans.	2	6,000			2	6,000	
February, 1920	884	\$5,916,738	870	\$1,234,998	1,754	\$7,151,736	248.4%
February, 1919	444	2,665,595	600	384,244	1,044	2,052,839	

*Decrease.

Prices.—Lumber prices have not changed to any great extent in the past month in this district, although there has been something of a flurry because of announced reductions at the Pacific Coast and at Chicago. The effect of the reductions elsewhere, however, has caused retailers to buy for their present needs only, as they do not desire to be overloaded with high priced stocks. But manufacturers are firm and offer no encouragement of lower prices.

LABOR.

No material changes were noted in the reports for February on the labor situation beyond the fact that the mild weather, betokening an early spring, brought increased activity in nearly every line of employment and incidentally increased the demand for both skilled and unskilled labor. In practically every quarter the impression prevails that there is to be a decided shortage of labor. While this is largely a matter of speculation, it is noted that the federal and state labor departments are opening employment offices and in many ways are preparing to supply the demand.

Farm Labor Supply.—Although the season is just starting, it is evident that the matter of supplying labor for the farms is to be a big task this year, and while farm wages last year were the highest ever known, indications point to even higher wages this year in many localities. The Departments of Labor for Nebraska, through Superintendent L. C. Crandall, reports on March 4th:

"There has been quite a demand for farm hands during the last week, both married and single men, and we have a shortage of 50 or 60 at the present time. This will increase as the spring season comes on. Single men are getting from \$50 to \$75 with board and room on an average, while married men get from \$65 to \$75 with separate house, cow, garden patch and the privilege of raising chickens."

Reports of a prospective shortage of farm labor also come from other states of this district, indicating that the situation described in the foregoing applies to other agricultural sections.

In other Industries.—Increased activity in the mining regions of this district, especially in the lead and zinc field of Missouri, Kansas and Oklahoma is reported. Manufacturing demand for labor is increasing and the employment agencies are receiving many calls, the Nebraska department at Lincoln having sent 600 men in February to manufacturers. Some reductions of the working forces at meat packing plants have been reported, due to the slowing down of slaughtering operations from the high war-time activity. The demand for men in the building lines is unusually large for this season. Transportation systems are fairly well supplied with men, but there is a growing demand for common labor.

New Wage Demands.—There have been only a few strikes in this district since the beginning of the year and generally these were promptly settled. The approach of spring, however, is bringing an unusual number of demands for increased wages. The building trades have about all presented demands for increased wages for the 1920 building season in the cities of this district. In a good many cases con-

tractors have indicated that they would meet these demands, the general tendency of which is to increase the cost of building.

The labor situation in the coal mining districts has been quiet with the miners busy at work pending efforts at Washington to settle their wage demands. The refusal of John P. White, representing the miners on President Wilson's Commission, to accept a 25% increase recommended by the Commission, brought a new element of uncertainty into the controversy. Mr. White is contending for an increase of 35% and a 7 hour work day, although it is reported there were no radical differences between the miners' representatives and the majority of the Commission on other questions involved.

Statement of Condition of FEDERAL RESERVE BANK OF KANSAS CITY Including Branches RESOURCES

	At Close of Business	
	March 5, 1920	March 12, 1920
Gold Coin and Certificates... \$	390,247.50	\$ 413,057.50
Gold Settlement Fund F. R. Board	38,716,284.66	34,445,394.41
Gold with F. R. Agent.....	38,577,090.00	37,507,680.00
Gold Redemption Fund.....	4,018,642.20	4,933,652.20
Gold with Foreign Agents...	5,415,463.60	5,413,445.28
Legal Tender Notes, Silver, etc.	698,644.50	814,685.15
Bills Discounted:		
Secured by Govt. War Obligations	40,211,086.08	39,778,573.08
All other	62,235,640.85	61,209,251.31
Bills Bought in Open Market.	5,549,540.83	4,376,009.01
U. S. Govt. Bonds.....	8,867,750.00	8,867,750.00
U. S. Cert. of Indebtedness...	15,940,500.00	15,896,500.00
Bank Premises	461,686.76	461,962.56
Uncollected Items and other Deductions from Gross Deposits	95,303,313.42	84,000,957.70
5% Redemption Fund against F. R. Bank Notes.....	995,590.00	995,590.00
All Other Resources.....	175,248.01	192,904.96
Total Resources.....	\$317,556,728.41	\$299,307,413.16

LIABILITIES

Capital Paid In..... \$	4,159,550.00	\$ 4,162,550.00
Surplus	6,116,033.36	6,116,033.36
Government Deposits	4,845,155.16	5,260,847.52
Due to Members, Res. Act....	97,260,710.71	90,664,789.40
Other Deposits	3,594,037.93	3,563,059.95
Deferred Availability Items..	78,664,960.06	67,098,494.33
F. R. Notes in Actual circulation	103,189,550.00	102,783,935.00
F. R. Bank Notes in actual circulation	18,264,800.00	18,127,900.00
All Other Liabilities.....	1,461,931.19	1,529,803.60
Total Liabilities.....	\$317,556,728.41	\$299,307,413.16

OTHER TOTALS

Total Gold Reserves..... \$	87,117,727.96	\$ 82,713,229.39
Total Earning Assets.....	132,804,517.76	130,128,083.40
Total Gross Deposits.....	184,364,863.86	166,587,191.20
Ratio of Total Reserve to Net Deposit and F. R. Reserve note liabilities combined..	45.6%	45.0%
Ratio of Gold Reserve to F. R. Notes in actual circulation after setting aside 35% against net deposit liabilities	54.3%	52.3%

CLEARINGS

Total Clearings for Week....	\$299,867,302.40	\$301,105,709.31
Total number of items handled	1,014,876	1,043,184