

# 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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**T**HE tide of depression existing for a short time recently seems to have ebbed to an appreciable extent, the reports on various lines of business activity covering the month of May indicating a tendency to settle down to a readjustment on a firm and dependable basis.

It is recognized in this important producing district of the United States that, while a slight improvement is noted, the transportation facilities are lamentably inadequate for the marketing of the products of the farms, ranges, mines, oil fields and factories, as well as for a proper distribution of merchandise. And as a result there is an added strain to the already greatly expanded credits, a slackening of industrial effort and a prolongation of inflated prices on foods and commodities—conditions seriously affecting the economic situation which, it is felt, should have been adjusted months ago. Yet in the face of such deterring factors there is an apparent determination of all interests to "stay on the job" and to "see it through," a spirit calculated to overcome seemingly insurmountable obstacles and to make the greatest difficulties seem trivialities.

This is the spirit which seems now to dominate all interests that have to do with the production, distribution and sale, as well as financing, of the things that are essential to the welfare of the American people. In no better nor more practical way has it been expressed than in the annual June convention at Colorado Springs of the National Wholesale Grocers Association, where the members—handlers of America's food supplies—pledged themselves to encourage in every way possible increased production of foods and necessary goods; and also, to make distribution more sure, pledged their influence to the railroads to aid in the financing of the building of 25,000 new locomotives and 250,000 cars needed to bring freight equipments up to present and near-future requirements. In this, and in no other way, is it deemed feasible to bring permanent relief to commercial and industrial activity and prosperity to the American people from the present state of railroad transport, the deplorable results of which are reflected in practically every report on business conditions appearing in this issue of the Monthly Bulletin.

While it is conceded that the peak of prices on practically all commodities has been passed, and that although declines are not being registered as rapidly as the public desires, they will recede only as conditions

become more settled and as production of a larger output of necessary goods is realized. Evidences that the public is curbing to some extent its wasteful extravagances in spending, and that speculation and ill advised investment is on the wane, also are observed.

The industrial situation, according to the reports, is somewhat easier than for several months. While the supply of skilled labor is short in several localities and in others it is ample in most lines, there are fewer strikes and new wage demands. The big feature of the situation at this time is the effort being put forth to obtain sufficient help for harvesting the 1920 crop of wheat which promises to be the third largest crop in history. Generally the reports indicate that this effort is proving successful, though in some localities the high harvest wages are calling men from other lines of productive employment.

### FINANCIAL.

The demand for loans continues strong, with rates advancing. There appears to be, however, a gradual elimination of loans for nonessentials and an effort toward liquidation of so-called frozen loans.

It is not expected that there will be any marked reduction in the volume of loans until after harvest, but it is hoped that the banks of this district will confine, so far as possible, their credit advances to the needs of the agricultural and live stock interests.

The shortage of cars is still the disturbing factor in the financial situation in this district, and indications are that it will be impossible to move the remainder of last year's crop before the harvesting of the new crop. This places a heavy strain on the banking resources, but if care is exercised in the granting of credit, it is believed that ample funds will be forthcoming to care for the legitimate and necessary demands.

The statement of the condition of the Federal Reserve Bank, including branches, as of June 18, 1920, showed a ratio of total reserves to net deposit and Federal Reserve notes liabilities combined was 40%. The total gold reserves was \$70,058,726.59, total earning assets were \$134,561,263.24 and total gross deposits were \$154,148,720.18. Bills discounted secured by Government war obligations were \$32,808,690. Other bills discounted were \$77,690,647.

### Condition of Eighty-three Member Banks.

The combined reports of eighty-three selected member banks in this district as of June 4, appearing in

this issue of the Monthly Bulletin, showed a small increase in their holdings of U. S. securities and a reduction in the aggregate of their loans. Demand deposits on which reserve is computed were a little more than \$8,000,000 less than at the May 7 reporting, while time deposits were slightly increased.

	June 4, 1920	May 7, 1920
Total U. S. Securities.....	\$ 54,113,000	\$ 53,034,000
Loans secured by war obligations (Liberty Bonds, Victory Notes, Certificates of Indebt.).....	19,549,000	19,143,000
Loans secured by stocks and bonds other than U. S. Securities.....	79,185,000	79,944,000
All other loans and investments..	458,048,000	462,399,000
Reserve Balance with Federal Re- serve Bank .....	42,628,000	50,258,000
Net demand deposits on which re- serve is computed.....	419,752,000	428,006,000
Time deposits .....	98,936,000	98,568,000

### Bank Clearings, 25 Cities in the Tenth District for May, 1920

Clearing at twenty-five cities in this district for May were \$26,617,499 more than the April clearings in twenty-four cities reporting, while at the same time May clearings indicate an increase of approximately \$300,000,000 or 19% over the clearings for the same month last year.

	May, 1920	May, 1919	Pct. Gain
Kansas City, Mo.....	\$ 927,535,006	\$ 884,600,051	4.6
Omaha, Neb. ....	287,405,225	244,533,606	17.5
Denver, Colo. ....	151,891,276	142,141,533	6.8
St. Joseph, Mo.....	66,749,216	74,706,388	*10.6
Wichita, Kans. ....	56,598,936	48,926,762	15.7
Oklahoma City, Okla....	53,926,557	47,144,620	12.2
Tulsa, Okla. ....	53,482,697	51,284,359	4.3
Lincoln, Neb. ....	24,045,956	22,523,474	6.7
Kansas City, Kans.....	19,821,796	3,066,882	546.3
Muskogee, Okla. ....	17,092,708	11,519,397	48.3
Topeka, Kans. ....	14,425,680	12,964,338	11.3
Joplin, Mo. ....	7,850,695	7,142,671	9.7
Cheyenne, Wyoming . . .	7,438,974		
Okmulgee, Okla. ....	6,722,003	3,789,419	77.4
Bartlesville, Okla. ....	4,945,140	4,231,582	16.9
Pueblo, Colo. ....	4,171,212	3,372,837	23.7
Colorado Spgs., Colo.....	4,139,282	3,874,522	6.9
Hastings, Neb. ....	3,564,184	2,725,178	30.8
Atchison, Kans. ....	3,540,548	2,651,100	33.5
Fremont, Neb. ....	3,527,489	3,533,572	*.1
McAlester, Okla. ....	2,861,000		
Guthrie, Okla. ....	2,627,253	1,368,666	91.9
Pittsburg, Kans. ....	2,480,125	1,774,446	39.8
Parsons, Kans. ....	1,835,391	1,702,959	7.8
Lawrence, Kans. ....	1,833,870	1,709,557	7.2
Total . . . . .	\$1,882,403,495	\$1,581,287,919	19.0

\*Decrease.

### MERCANTILE.

The mercantile trade through the month of May and the first half of June exhibited a tendency, which is not unusual, to slow down for the summer months, although other factors have been and are still contributing to the unsettlement of trade conditions.

Wholesalers, particularly of dry goods, men's and women's wear and millinery, report a tendency on the part of retailers to buy carefully, with the result that their sales as reported for May were 10%, and in some instances much more than that, below the sales in April, though in wholesale dry goods the May sales were up to 50% larger than in the same month last year, and wholesale millinery sales about 5% larger in volume than in May, 1919.

Wholesale furniture dealers and manufacturers in this district report sales 20% better in May than in April and 40% larger than at the same time last year. Stocks are quite low, especially in the smaller towns, and the supply and delivery of manufactured goods has not yet caught up with the demands. Some retailers, however, report slightly decreased sales on account of high prices.

Drugs sold by wholesale houses in May were about 9% less than in April, but 18% larger than in May of last year, with a prospect of a continuance of the present volume of business at least until fall.

In the grocery line there is much more activity in trade, May sales running about 11% above those of April and 24% above the sales of a year ago. Although wholesalers report retail dealers buying in accord with their daily requirements, they assert that speculative buying has been practically eliminated and the outlook is good for at least six months.

Auto accessories, pianos, phonographs, have apparently shown no great slump, the volume of sales being determined by the supply in the hands of dealers. Sales of typewriters, considered as a fair index of business activity, were 10% larger in May than in April and 25% larger than a year ago, according to reports.

The hardware business is said to be very good and increases of 10% to 20% over last year's business are reported, although two or three extensive dealers reported sales in May were very much reduced on account of the inability to secure delivery of nails, sheet iron, tin plate, etc., due to reduced production and car shortage.

Harvesting and farm machinery has been in good demand. Distributors say local dealers have no trouble selling all the goods they are able to get to their territory.

Wall paper and paint sales have been remarkably large. This is explained by dealers as due to the high cost of building materials; the people renovating their homes in anticipation of lower prices.

**Department Stores' Reports.**—May business is fairly well reflected by the reports to the Monthly Bulletin of large department stores in the principal cities of the Tenth Federal Reserve District. The reports of nine stores are combined in the following summary of sales and stocks:

Net sales (selling price) during May, 1920, compared with net sales for the same month in 1919....	Inc. 11.42%
Net sales (selling price) during the first five months of 1920 compared with net sales for the same five months last year.....	Inc. 21.24%
Stocks on hand at the close of May, 1920, compared with stocks on hand at the close of April, 1920....	Dec. 5.92%
Percentage of average stock at close of each month this year commencing with January to average monthly net sales for the same period.....	279.36%
Percentage of outstanding orders for stocks (cost) at the close of May, 1920, to total purchases during the calendar year .....	*6.64%

\*Does not include stocks for fall delivery for one of the reporting stores.

The combined reports of nine dry goods stores show an increase of 13% in May sales over those of April and of 11.9% over the sales of May, 1919. Stocks on hand at the close of May were 3.5% less than at the close of April and 23.9% larger than at the close of May last. Outstanding orders for merchandise of the stores reporting represented 23.9% of total purchases

during the calendar year. Some department stores, dry goods stores and men's and women's ready-to-wear stores have held clearance sales, due to the backward season and strained credits. In this way they have reduced their stocks, particularly on unseasonable goods and such merchandise as they did not desire to carry over.

**Mail Order Sales.**—May sales of groceries increased 100% over the sales in April and 60% over the corresponding period last year, according to the report of one large mail order house. Sales in many other commodity lines were especially heavy. To counteract the usual slow trade in June, July and August the mail order houses are now having their annual mid-summer sales, offering a large assortment of merchandise on which prices are shaved to the limit, helping to curb the high cost of living.

**Collections.**—While in some sections reports say that on account of grain and farm products not moving to the markets collections are off, the general run of the reports are that collections are fair to good. In the mountain sections wholesale grocers report an unusually high average of 101% to outstandings.

**Business Failures.**—Dun's Review reports 16 commercial failures in the Tenth Federal Reserve District in May, the total liabilities being \$179,251. This compares with 28 failures and \$703,255 liabilities in May, 1919.

## AGRICULTURE.

The advent of June found conditions generally more favorable for the growth of vegetation and for farm operations than previously reported conditions seemed to justify. The season at that time was ten days to two weeks late, since in many parts of the district it was too cool in May for the best results with warm weather crops and in other sections the soil was too wet to work satisfactorily. Yet under such conditions progress was made. With plenty of moisture in the soil in most sections, the weather warmed up and long stretches of sunshine running through the month of June, the situation as a whole in this district is such as to give assurance of a much better than normal crop of practically all of the farm products.

**The 1920 Wheat Crop.**—Winter wheat made remarkable improvement in May. The damp and cool weather, while delaying the harvest season, seemingly encouraged a sturdy growth of stalk and helped to develop head and grain for the June warmth and sunshine to ripen. The harvest in the southern sections was well under way at the date of issuing this Monthly Bulletin, while reports indicated fine progress throughout the remainder of the Wheat Belt.

Pre-harvest estimates for the principal wheat growing states of the Tenth Federal Reserve District give promise of a larger yield than was forecast at the beginning of May. These June estimates, as reported by the secretaries of Agriculture for the states, place the probable yield of winter wheat for this district at approximately 215,000,000 bushels. This is 22,000,000 bushels more than the estimate made by the Bureau of Crop Estimates based on May 1 conditions, and it is 69,000,000 bushels or 24.3% below the final production figures, 284,000,000 bushels in 1919. While the figures are to stand as the last official state estimates before harvest, they may easily prove misleading as to prospective yields, should the unusual growth of

stalk in many sections be produced at the expense of the grain. The reports from growers, however, have been carefully edited by the secretaries and due allowance made for exaggeration and over statement.

A report for Kansas, issued May 20 by the Board of Agriculture, estimated the prospective yield for that state at 110,000,000 bushels of winter wheat on 7,603,880 acres as reported by correspondents. Should this indicated yield be realized the 1920 crop would be the third largest in the history of the state, the productions of 1914 and 1919 only exceeding it, while the average annual production in the five year period, 1915-1919, amounted to 94,880,466 bushels.

The Nebraska crop report of June 1 condition of winter wheat indicated a production of 50,896,000 bushels as compared to the final estimates for 1919 of 54,997,000.

The Oklahoma state Board of Agriculture reported through its secretary an improvement during May in the condition of wheat in that state, with indications of a yield of approximately 35,000,000 bushels, which compares with the U. S. Government's estimate May 1 of 27,000,000 bushels.

The reports for Colorado, Wyoming and Northern New Mexico tell of excellent improvement in winter wheat prospects with indications of a fine yield except where damaged by heavy winds in April.

**Spring Wheat.**—Condition of Spring Wheat in this district is reported as very fine, although there has been a marked reduction in the acreage which is more generally attributed to farm labor shortage than to other causes. Nebraska's spring wheat area this year is 401,000 acres as against 668,000 acres in 1919. The June 1 condition was 90% and this year's yield is estimated at 5,233,000 bushels. The June 1 condition of 24,000 acres of spring wheat in Kansas was 87.9% of normal with an indicated yield of 11½ bushels to the acre. Colorado, Wyoming and New Mexico report good development of spring wheat and promise of a yield above normal.

**Advise Storing Grain.**—The problem of taking care of the 1920 wheat crop is engaging the attention of the state agricultural departments in this district and they are advising the storing of grain until the local elevators can secure cars to handle it. L. A. Fritz, professor of milling industry at the Kansas Agricultural College, says that owing to the high price of material, scarcity of labor and limited time, it is unlikely that any large amount of permanent elevator or granary storage will be provided on the farms this year. Consequently most of the increase in storage facilities on the farm for the 1920 crop must be of temporary nature such as proper stacking, especially of bundle grain, rearranging or repairing of buildings already on the farm, and possibly as a last resort, storing in bulk on the ground. He says:

"The farmer who stacks his grain well this year is thereby able to hold it in good condition until the car situation is somewhat improved and he is able to market his surplus when threshed, will occupy an independent position as compared with the man who threshes from the shock and is forced to market his wheat immediately after harvest because he has no suitable place to store it in bulk."

John A. Whitehurst of the Oklahoma State Board of Agriculture urges the building of temporary elevators at shipping points to house the state's wheat crop. He has written letters to all country councils of defense urging their co-operation with the citizens in a "save the grain" campaign. Facilities for storing only 20% of the Oklahoma wheat crop are now available.

In Nebraska farmers are urged to prepare themselves to stack and store the wheat on the farm wherever possible so that the elevator storage may not be taxed to the limit at all times and that shipments of wheat can be distributed over a larger period than has been customary.

**Harvest Help.**—Federal and state employment bureaus and agents in the cities are meeting with fair success in obtaining men for harvesting the 1920 wheat crop in this district. In Oklahoma it was estimated that about 10,000 men from outside of that state would be needed to help the farmers, while estimates as to the number of harvest hands needed in Kansas varied from 25,000 to 50,000 men. Nebraska will need many men from outside but the harvest help problem in that state, and also in Colorado and Wyoming, will be made easier by the fact that men who started at the beginning of the harvest in Oklahoma and southern Kansas will work northward and westward as the grain ripens.

Efforts are being made to send men to the harvest fields who have had some experience in farm work, as many complaints have come from farmers of inefficient help. Prospective workers should be sure of their endurance if they are to be of value either to themselves or to the farmers.

Harvest wages in Oklahoma range from \$4 to \$7 a day, with stackers receiving \$6 to \$10 a day and engineers and separator men \$8 to \$10 a day. Seventy cents an hour is the maximum harvest wage in Kansas, board and lodging included.

**Corn.**—The end of May brought encouraging reports as to the progress of this year's corn crop. Planting had been practically completed in the south two-thirds of the district. Good progress in planting was reported in the northwestern part of Missouri, northwestern Kansas, northern Colorado and in Nebraska and Wyoming. The season was about two weeks late. Good stands and growth were reported in Kansas and Oklahoma, although in the last named state corn suffered considerably in some sections by excessive rains, and much replanting was necessary. An increased corn acreage is reported in the district, due to the fact that the small grain acreage is considerably less than last year. The first official estimates on corn conditions and prospects will be made in July.

**Oats, Rye, Barley.**—The acreage of oats is about the same as last year and reports indicate the condition at June 1 above 90% of normal with prospects of a yield slightly below that of 1919. Rye and barley are both reported as making good progress, with the condition of rye around 95% and of barley slightly under 90%.

**Cotton.**—The condition of cotton at the last week in May was 62.4% for the cotton growing states. This

compares with 75.6% at May 25, 1919, and makes this year's mark the lowest in the record of fifty years. Oklahoma, which is the largest producer of cotton in the Tenth District, led all states of the union with a condition of 70% of normal, which is 7.6% better than the average for all other cotton states. Progress of cotton has been slow this season on account of lack of sunshine and too wet soil, but the stand and growing condition in Oklahoma averages to very good in parts of the central and western counties in that state.

**Sugar Beets.**—Conditions at the middle of June were very favorable to a substantial increase in sugar beet production; not only in increased tonnage but in increased percent of sugar content per ton, as compared with the production of 1919 which was seriously affected by the dry weather in the mountain regions.

The Great Western Sugar Refining Company reported in June 281,000 acres of sugar beets under contract for its refineries in northern Colorado, western Nebraska and Wyoming. This compares with 265,000 acres of beets grown for that company in 1919. The exceptionally good growing condition indicated a yield well above the ten year average of twelve tons to the acre, and brought forth the announcement on the part of the Great Western Company that its production of refined sugar would be about 7,000,000 bags this year.

The American Beet Sugar Refining Company, the Holly Sugar Refining Corporation and the National Sugar Refining Company, all operating in this district, also reported an increased acreage of sugar beets under contract amounting to 35% with a proportional increased tonnage of beets in prospect.

**Potatoes.**—Growers in Colorado report 84,480 acres devoted to potatoes in that state this year which is about 94% of last year's acreage. Kansas reports 48,102 acres or about 13% below last year's acreage. The potato area in Nebraska is estimated at close to 100,000 acres, as compared with 115,000 acres last year, while Oklahoma's acreage is reported somewhat below the 37,000 acres of last year. The late planting season, together with the high price of seed potatoes, are the factors which caused a reduction. The condition of potatoes June 1, as reported, is around 86% in the Missouri Valley sections while in the mountain states the condition was about 90%.

**Fruits.**—Commercial orchards vary as to condition of growing fruit, accordingly as they were affected by the winter's freezing and spring frosts. Reports from the Missouri Valley region forecast 50% to 75% of a normal crop. Fruit prospects are unusually promising in the mountain regions.

**Grain Movements.**—May terminated Government control of wheat, ended the minimum price guarantee and restored the markets to private interests without causing even a slight flurry at the market centers. Managing the movement and sale of wheat crops without a speculative market, which seemed impossible up to the beginning of America's participation in the war, was achieved by the Government with very little friction and without excitement. Speculative trading will not be restored until the exchanges shall have worked out important plans for the regulation of future operations.

Meanwhile the movement of grain is not likely to be affected by the change. The one big problem is

that of obtaining cars in sufficient numbers to handle the unmarketed portion of the wheat crop of 1919; and it is regarded as certain that probably 25% of last year's wheat crop in this district will still be in the hands of farmers when the new 1920 wheat begins to flow to the markets.

Receipts of wheat at the markets of this district picked up considerably in May after the big April slump which resulted from the railroad strike and tie-up. At Kansas City May receipts of wheat were 4,025,000 bushels, as against 2,235,000 bushels received in April and 820,800 bushels received in May, 1919. This brought the total receipts of wheat for the eleven months since last harvest to 87,792,600 bushels, which compared with 52,179,950 bushels received in the corresponding eleven months following the 1918 harvest. Receipts at the other market centers of the district for the eleven months period were in the same proportion as at Kansas City. May wheat receipts, however, are regarded as small in comparison with what they would have been had the railroads been equipped with cars to move all wheat offered.

Receipts of corn in May were small and about the same as in May, 1919, while the receipts of oats in the same month were but little better than one-third of the volume of receipts in May, 1919.

**Prices.**—The high prices reached by wheat at the end of April were maintained through May, due to demand for good milling wheat. No. 2 dark hard wheat reached \$3.05@3.18 in the second week of May and at the end of the month sold at \$2.95@3.02. The top price for No. 1 hard wheat was \$3.03@3.10, with \$2.92@2.97½ at the close. No. 2 red wheat sold higher in the first week of the month, \$2.95@3.13, and in the last week it was \$2.89@2.90.

Corn also showed strength during the month despite efforts to break prices. The top price on No. 2 corn was \$2 in the week of May 21 and for the week ending June 4 it was \$1.98. No. 2 mixed corn sold up to \$1.97 in the second week and up to \$1.88½ on June 4.

Oats brought big prices in May, the top for the four weeks being \$1.15, \$1.20, \$1.16 and \$1.10 per bushel. The latter figure stood as the top price for the week of June 4.

**Flour Milling.**—The combined flour output of the mills at Kansas City, Omaha and of 89 mills in Nebraska, Missouri, Oklahoma and Kansas in the four weeks period, May 1-28, according to the Northwestern Miller reports, was 1,631,393 barrels. This compares with 1,532,003 barrels for the same period in 1919, the increase for the year being 1.9%. The figures for the four weeks period on milling operations

follow:	May, 1920	May, 1919
	4 Weeks	4 Weeks
Kansas City . . . . .	321,400	303,900
Omaha . . . . .	64,945	88,975
Outside Mills . . . . .	1,245,048	1,139,128

Barrels Output . . . . . 1,631,393 1,532,003

Flour prices advanced between May 1 and May 29, in sympathy with the rise in wheat. The quotations at Kansas City for the two dates were:

	May 29	May 1
Patents . . . . .	\$14.25@14.75	\$14.00@14.60
Straights . . . . .	13.25@14.00	13.10@13.40
Clears . . . . .	10.00@12.00	8.50@11.90

The demand for flour at the beginning of June was reported as about equal to the output of the mills, with indications of a more active inquiry from the east. Although there is a feeling that export demand will liven up shortly, there appears to be little activity at this time.

**LIVE STOCK.**

Pastures are generally excellent throughout the district, the grazing lands providing abundant food for live stock and meadows making fine progress. Some reports, however, say that the movement of live stock to pastures has been much less than normal in the eastern sections where lands are largely used for field crops, though it is about normal in the high prairie sections. Indications on the whole are that there will be much less stock on pastures this year than in many years preceding. Live stock in all states is reported as generally healthy and improving in condition, but there was more or less dissatisfaction among growers and feeders with May prices of swine and cattle.

Considerable interest is being shown in pure bred stock and many pure bred hogs and cattle are being introduced through the Boys and Girls Pig and Calf Clubs in many places. However, there is a noticeable shortage in the spring pig crop, which in Kansas is estimated and 72% of the crop for the spring of 1919. The reduction is especially noticeable, says the Kansas report, in the eastern half of the state.

Reports from Colorado, Wyoming and New Mexico at the end of May said that sheep were being moved to summer ranges, lambing was general and the condition was rapidly improving.

**Market Movements.**—May receipts of live stock at Kansas City, Omaha, St. Joseph, Denver, Wichita and Oklahoma City were 29,520 car loads, as compared with 25,875 car loads in April and 29,344 car loads in May, 1919. Disturbed conditions was a big factor in reducing supplies of meat animals in April, while the still crippled railroad facilities served to keep the May marketings below requirements.

The receipts of all animals except sheep and horses

**Receipts of Live Stock in May, 1920**

	Cattle	Calves	Hogs	Sheep	Horses & Mules	Cars
Kansas City . . . . .	120,671	16,122	323,564	162,510	3,447	9,704
Omaha . . . . .	105,210	3,826	304,815	103,002	764	8,806
Denver . . . . .	84,491	4,471	37,624	53,873	1,369	3,340
St. Joseph . . . . .	41,340	4,142	224,369	44,534	1,339	4,781
Oklahoma City . . . . .	29,925	2,635	54,298	510	315	1,740
Wichita . . . . .	16,340	.....	47,002	9,896	1,734	1,149
<b>Total May, 1920 . . . . .</b>	<b>397,977</b>	<b>31,196</b>	<b>991,672</b>	<b>374,325</b>	<b>8,968</b>	<b>29,520</b>
<b>Total April, 1920 . . . . .</b>	<b>347,760</b>	<b>27,624</b>	<b>732,754</b>	<b>546,343</b>	<b>10,707</b>	<b>25,735</b>
<b>Total May, 1919 . . . . .</b>	<b>438,882</b>	<b>32,392</b>	<b>909,850</b>	<b>442,429</b>	<b>5,777</b>	<b>29,344</b>

and mules were larger than in the previous month of April. The supply of cattle and calves was less than in May of last year, however, the decrease of cattle amounting to 9.3% and of calves 3.7%. Sheep marketed in May were less by 15.4% than was shown by the records of the corresponding month in 1919. There was a liberal increase of 81,822 hogs, or 8.9%, received in May as compared with the receipts for May, 1919. Horses and mules on the six markets in May were 55.2% larger than in the same month last year. The receipts for May at each of the six markets of this district are exhibited in detail in a table in this issue of the Monthly Bulletin.

**Prices.**—Liberal receipts in the first week of May caused a slump in prices and during the month the trade was anything but encouraging to shippers, the low price levels frequently bringing losses. Hog prices showed slight fluctuations during May. Bulk sales May 1 were at \$14@14.50 and on May 31 at \$14@14.35, the top price of the month being \$15, on May 12. Sheep and lambs were generally lower in May under fairly liberal receipts for this time of the year and slow demand.

Highest prices on live stock at Kansas City in May, 1920, and May, 1919, are here given:

	May, 1920	May, 1919
Steers . . . . .	\$13.90	\$17.50
Stockers . . . . .	11.25	15.50
Feeders . . . . .	12.75	15.50
Cows . . . . .	12.00	14.50
Heifers . . . . .	14.00	16.00
Calves . . . . .	13.50	14.75
Colorado Steers . . . . .	13.15	17.50
Colorado Stockers . . . . .	11.75	14.00
Colorado Feeders . . . . .	10.90	15.00
Hogs . . . . .	15.00	21.10
Sheep . . . . .	16.50	17.00
Lambs . . . . .	20.25	19.85
Horses . . . . .	300.00	300.00
Mules . . . . .	420.00	395.00

Decreased supplies of fat cattle early in June brought sharp advances on some grades of beef steers and a steady upward trend of cattle. A slight upturn of hog prices was also noted early in June, with average sales of hogs at Kansas City at \$14.49, at Omaha 14.17 and at Chicago at \$14.56.

**Packing Operations.**—Purchases of animals for slaughter in May as compared with purchases in May of last year, were 14.3% larger on cattle, 4.9% less on calves, about the same on hogs and 19.6% less on sheep. The May purchases for slaughter at the six markets were:

	Cattle	Calves	Hogs	Sheep
Kansas City . . . . .	66,795	15,459	254,122	109,789
Omaha . . . . .	65,996	1,987	241,950	73,250
Denver . . . . .	8,670	1,437	33,429	17,392
St. Joseph . . . . .	24,319	3,681	177,037	35,127
Oklahoma City . . . . .	17,213	1,624	50,308	182
Wichita . . . . .	5,327	.....	45,870	46
May, 1920 . . . . .	188,320	24,188	802,716	235,786
May, 1919 . . . . .	164,778	25,448	797,552	293,419

The dullness which characterized the wholesale trade in fresh beef through May was broken in June by advances in prices due to the scarcity of fat steers. The wholesale prices on June 8 were \$2 higher than on May 11 on the best grades of beef and 50c to \$1 higher on the intermediate grades of beef. Fresh lamb was about \$2 lower at the June date than at the May

date, while cuts of fresh pork were an average of \$1 per hundred pounds under the May 11 prices. Further advances in best grades of fresh beef were announced on June 15 at Kansas City.

## PETROLEUM.

Estimated production of crude oil in Kansas and Oklahoma, based on the average daily runs reported weekly from the several fields, totaled 11,346,000 barrels, or an average of 366,000 barrels daily for the thirty-one days of May. These figures, however, are expected to fall considerably below the output when officially reported. Official reports placed the April production in Kansas and Oklahoma at 12,307,000 barrels or 410,233 barrels daily. Wyoming and Colorado are reported to have produced 1,311,000 barrels in April.

**Developments.**—Larger activity in field operations are reflected by the May reports which showed a total of 1,277 new wells completed and 102,315 barrels daily new production. The big gain in May was in Oklahoma fields where there was 33,190 barrels more daily new production than was recorded for April of this year. Kansas gained 2,051 barrels daily new production in May, over April, while Wyoming's report showed 290 barrels less daily new production than in April. The summary of development operations follows:

	Completed Wells	Brls. Daily New Prod'n.	Rigs and Wells Drilling
Kansas . . . . .	303	12,485	485
Oklahoma . . . . .	958	89,035	2,153
Wyoming . . . . .	16	795	552
May, 1920 . . . . .	1,277	102,315	3,190
April, 1920 . . . . .	1,001	67,364	3,149
May, 1919 . . . . .	1,247	56,021	2,414

**Prices.**—No material changes in prices of crude oil in this district were reported during the month of May. All grades of Kansas and Oklahoma crude oil on June 11 was quoted at \$3.50 per barrel except Healdton, which was \$2.75 per barrel. Wyoming's product was quoted at \$3.10 per barrel for Torchlight, Grass Creek, Greybull and Elk Basin, \$2.75 for Rock Creek, Big Muddy, Salt Creek and Pilot Butte, \$3.05 for Land Creek, \$2.05 for Mule Creek and \$1.25 for Lander.

## MINING.

Conditions in Colorado metal mining industry at the end of May did not appear quite as favorable as they did a month or two previous to that time. A shortage of labor was reported from practically all the mining districts and appeared to be interfering with production, particularly in Cripple Creek, Telluride and Ouray.

The drop in the price of silver was said to be cutting out the profits of a good many of the smaller operators, particularly in some cases where it occurred simultaneously with the raise in smelting charges.

**Lead and Zinc.**—A review of the Joplin ore market, covering operations in the Missouri-Kansas-Oklahoma district, says: Shipments showed a decided reaction for the month of May as compared with the month of April. The average shipment per week for the month of April was 13,325 tons of zinc blende, while in May the weekly shipments dropped to 9,703 tons. Cala-

mine ores on the other hand reached 223 tons per week as compared with 127 tons in April. This decrease in shipments was largely due to the inability to secure cars and move the ores that were already loaded on the sidings throughout the month of April. This also had a very untoward effect on zinc ores throughout the month. The market for zinc blende ores ranged from \$42.50 to \$45.00 for the month of May as compared with \$42.50 to 52.50 \$during the month of April. Calamine ore prices remained practically stationary at \$35.00 throughout the month, \$35.23 being the average price paid for the month as compared with \$38.44 in April. The aggregate shipments for the month was 48,513 tons of blende ores and 1,116 tons of calamine.

Lead shipments also declined slightly from the previous month, the average shipment for each week during May was 1, 959 tons as compared with 2,524 tons during April. The price level dropped very materially, the month opening with a price of \$110.00 for 80% grades and dropping the next week to \$100.00, at which price all sales were made during the month. This brought the average price for the month down to \$102.34. This compares with \$108.82 for April.

There were several elements that entered into the district's industrial activity, the first one being a series of storms which wrecked a very large number of milling plants throughout the Oklahoma district. These storms in several instances wrecked entire mills and in other instances destroyed portions of plants, such as derricks, elevators, smoke stacks and tailing flumes, and isolated buildings. This wholesale wrecking naturally closed down plants from several days to an indefinite period. There are as many as 20 mills idle at the end of the month as the result of storm damage and shortage of mine carpenters, and the high price to be paid for this class of labor is discouraging to many operators, taken in conjunction with the low price paid for ore, and they prefer to remain down rather than incur the expense of repairs now.

In addition to the low price paid for ore there is also a shortage of mine labor. The annual exodus to the harvest fields of Kansas and the west is beginning or preparations are being made for such exodus. This means that many mines will have their forces cut down from 10% to 20% and means the closing of properties which cannot keep their forces up. The closing of these properties, however, is an unmixed evil as there is in the bins of the ore producers a considerable stock of unsold ore as well as a considerable stock of sold ore, both of which have a "bearish" influence on the ore market. With the curtailment of ore production this surplus stock of ore in the bins of the ore producers should be absorbed during the early summer months and the ore market should reflect a better tone of activity in the later summer and fall.

There is also some indication of a decrease in supply cost of the district which may help the industry. The announcement of a 5 to 10% cut in lumber is taken as an omen of such reduction.

**Coal.**—Mining operations were materially increased in the bituminous coal fields of this section in May, and the output was correspondingly larger, though shipping was retarded by car shortage. Colorado reports showed 77.7% capacity operation, in May as against 78.2% in April, but Kansas activity increased from 44.8% in April to 62.5% in May. Missouri showed 80.2% capacity operation against 70.4% in April, while Oklahoma mines were operated in May at 64.1% of capacity as compared with 69% in April.

The reports for May showing causes of loss of operation, expressed in percentages, for each state, follow:

	Colo.	Kansas	Missouri	Okla.
Transportation Disability . . .	11.5	9.1	2.3	16.7
Labor shortage . . . . .	0.8	5.4	2.2	1.9
Strikes . . . . .	0.2	4.3	0.3	0.6
Mine Disability . . . . .	1.6	14.9	9.9	2.2
No market . . . . .	7.6	1.7	4.2	14.3
<b>Total loss . . . . .</b>	<b>21.6</b>	<b>35.4</b>	<b>18.9</b>	<b>35.7</b>

While the figures indicate that coal production is approaching pre-war activity, lack of demand for household heating is reported in practically all of the states of this district. This is said to be partly due to the reluctance of consumers to lay in supplies for next fall and winter, although under present cost of production no downward trend of prices is forecast.

**BUILDING.**

In the first five months of 1920, now passed, a total of 9,258 permits were issued in cities of the Tenth Federal Reserve District reporting to the Monthly Bulletin. The estimated cost of the buildings permitted was \$39,967,160. Of this amount \$32,861,541 or 82.2% was for new construction, leaving \$7,105,819 as the investment in repairs and additions. These figures compare with a total of 7,499 permits issued in the same cities in the corresponding five months of 1919, with an estimated cost for the buildings amounting to \$17,176,414, of which \$14,555,193 was for new construction and \$3,669,211 was for repairs and additions. The increase for the five months of 1920 was 125.8% on new construction, and 93.7% on repairs and additions, and 132.6% on all buildings permitted.

Reports of building inspectors and superintendents for the month of May show for the first time this year a tendency toward a decline of building activity resulting from several unfavorable factors, such as labor troubles, high prices of materials, and transportation difficulties. While the May report for cities of the district as a whole reflects an increase of 30.6% in building activity over that of May, 1919, the showing is the poorest for any month of the present year. There was a decline of 74 permits and \$1,757,770, estimated cost, or 20.6%, from the record for April of this year. Decreased operations are shown in the reports from such cities as Denver, Oklahoma City, Okmulgee, Wichita, Lincoln, and Kansas City, Kansas, which have reported substantial increases over last year in all previous months of 1920. The report for May, 1920, and for May, 1919, follows:

	May, 1920		May, 1919		Gain or Loss
	Permits	Est. Cost	Permits	Est. Cost	
Omaha . . . . .	195	\$1,948,040	224	\$1,042,220	86.9%
Kansas City, Mo. . . . .	414	1,082,755	494	883,665	22.5
Tulsa . . . . .	168	712,175	242	663,735	7.3
Denver . . . . .	398	678,950	366	928,180	-26.8
Topeka . . . . .	56	583,960	65	91,112	540.8
Okmulgee . . . . .	72	302,225	71	331,050	- 8.7
Okla. City . . . . .	130	265,319	129	331,426	-19.9
Wichita . . . . .	187	241,795	114	274,780	-12.0
Cheyenne . . . . .	22	225,200	23	34,250	557.5
Pueblo . . . . .	72	205,812	74	91,521	124.8
St. Joseph . . . . .	57	159,020	66	77,690	104.7
Muskogee . . . . .	22	138,010	26	68,920	100.2
Lincoln . . . . .	57	104,833	85	221,300	-52.6
Kansas City, Ks. . . . .	42	67,360	61	107,080	-37.1
Colo. Springs . . . . .	95	51,161	61	32,373	58.0
Leavenworth . . . . .	3	6,000	3	6,000	....
Total . . . . .	1,990	\$6,772,615	2,104	\$5,185,301	30.6%

An analysis of the reports contained in this table shows that the average estimated cost per building permitted in these cities was only \$3,403 in May as compared with \$4,132 in April, \$3,894 in March and \$2,464 in May, 1919.

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

RESOURCES	At Close of Business		LIABILITIES	At Close of Business	
	June 11, 1920	June 18, 1920		June 11, 1920	June 18, 1920
Gold Coin and Certificates . . . \$	457,212.50	\$ 440,602.50	Capital Paid In . . . . . \$	4,314,100.00	\$ 4,311,100.00
Gold Settlement Fund F. R. Board . . . . .	24,854,189.33	24,176,046.61	Surplus . . . . .	6,116,033.36	6,116,033.36
Gold with F. R. Agent . . . . .	36,190,010.00	35,838,370.00	Government Deposits . . . . .	2,193,019.28	7,636,946.80
Gold Redemption Fund . . . . .	4,347,122.20	4,250,262.20	Due to Members, Res. Act. . . . .	81,239,839.07	82,732,213.31
Gold with Foreign Agents . . . . .	5,353,445.28	5,353,445.28	Other Deposits . . . . .	2,928,866.37	3,397,764.13
Legal Tender notes, silver, etc.	1,450,542.30	1,539,956.70	Deferred Availability Items . . . . .	55,432,153.49	60,381,795.94
Bills Discounted:			F. R. Notes in Actual Circulation . . . . .	97,912,955.00	98,364,005.00
Secured by Govt. War Obligations . . . . .	33,191,796.05	32,808,690.30	F. R. Bank Notes in Actual Circulation . . . . .	15,432,200.00	15,326,900.00
All Other . . . . .	74,472,554.83	77,690,647.00	All Other Liabilities . . . . .	3,513,608.86	3,729,230.53
Bills Bought in open market . . . . .	1,696,342.22	1,989,525.94	Total Liabilities . . . . .	\$269,082,775.43	\$281,995,989.07
U. S. Govt. Bonds . . . . .	8,867,900.00	8,867,900.00	OTHER TOTALS		
U. S. Cert. of Indebtedness . . . . .	12,974,500.00	13,204,500.00	Total Gold Reserves . . . . . \$	71,201,979.31	\$ 70,058,726.59
Bank Premises . . . . .	657,981.48	657,981.48	Total Earning Assets . . . . .	131,203,093.10	134,561,263.24
Uncollected Items and Other Deductions from gross deposits . . . . .	63,349,707.61	73,939,330.24	Total Gross Deposits . . . . .	141,793,878.21	154,148,720.18
5% Redemption Fund Against F. R. Bank Notes . . . . .	915,590.00	915,590.00	Contingent Liability as Endorser on Bills rediscounted with other Federal Reserve Banks . . . . .	9,779,000.00	11,144,000.00
All Other Resources . . . . .	303,881.63	323,140.82	Ratio of total Reserves to net Deposit and F. R. notes liabilities combined . . . . .	41.1%	40.0%
Total Resources . . . . .	\$269,082,775.43	\$281,995,989.07	Ratio of Gold Reserve to F. R. Notes in actual circulation after setting aside 35% against net deposit liabilities . . . . .	44.6%	42.6%

CLEARINGS

Total Clearings for Week . . . . .	\$226,726,359.74	\$260,500,887.83
Total number of items handled	942,572	982,152