

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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Vol. 5

KANSAS CITY, MISSOURI, JULY 25, 1920

No. 7

MANY lines of activity at trade and industrial centers are now experiencing something of the mid-summer quiet, usual for the Tenth Federal Reserve District whose large area is devoted chiefly to agriculture. Intensive effort is being centered on the harvesting of grain which, under excellent growing and ripening conditions in June and July, is showing yields much larger than was forecast by previous reports and making 1920 one of the best crop years of history. Roughly estimated, the 1920 crop of winter and spring wheat in this District is expected to be somewhere around 260,000,000 bushels. Oats is estimated at close to 185,000,000 bushels, while rye is expected to exceed last year's production of 11,125,000 bushels and barley is scheduled to go a little better than last year's crop of 28,000,000 bushels. In dollars, at prices prevailing at the markets in July, the value of the 1920 crops of these four cereals is about \$900,000,000; while an estimated production of 400,000,000 bushels of corn would—at July prices—add something like \$700,000,000 more to the value of grain crops produced this year in the Tenth Federal Reserve District, exclusive of all other products of the farms, orchards and ranges.

In the face of the slowing down of trade and industry, reflected by the reports covering June operations, there is a feeling, in this part of the United States at least, that the good crops now in sight are bound to make good business this fall. It is pointed out that while the political campaign may disturb business to some extent, and that the public is becoming more and more conservative in the making of purchases and investments, the reports indicate that conditions are generally good and such as to insure healthy business in the fall and winter.

There are evidences to show that production in many of the commodity lines is increasing, and there is a reported tendency toward price recessions. Adjustment of prices on lower levels, however, is coming slowly for the reason that dealers assert that their stocks on hand are high cost goods and whatever sales are made at materially reduced prices are made at their expense. Caution on the part of wholesalers in buying from manufacturers, and of retailers buying from wholesalers, as now prevailing to a considerable extent, is expected to help some in the final solution of the problem of lowering prices.

The car situation shows some improvement, as is evidenced by the large movement of grain to the markets in June, but the feeling concerning the ability of the railroads to handle the situation this fall is one of uncertainty and is causing uneasiness. Last year the railroads had large numbers of cars stored on the sidetracks with which to move grain, but this year it is reported the number of cars held for crop movement is comparatively small.

Meanwhile, the car shortage is a serious handicap to others than the agricultural industry. The Monthly Bulletin's reports say it is restricting the output and distribution of coal; it is causing a tie-up of lead and zinc mines because of the inability to make shipments; it is hampering manufacturing plants in the bringing in of materials and the shipping out of products; it is helping, probably as much as high prices, to slow down building operations and public improvements by the inability to obtain materials. Besides, it is hampering the distribution of merchandise, since reports are not infrequent that goods which usually might have been received, sold, delivered to customers and paid for, are still in transit.

FINANCIAL

The large demand for money for productive enterprises and crop movement, which has featured the financial situation during the first half of 1920, continues. However, the volume of loans by the Federal Reserve Bank remains at about the same status as a month ago. There have been no recent changes of rates at the Federal Reserve Bank except that the rate on notes secured by U. S. Certificates of Indebtedness has been increased from 5% to the amount of interest borne by the Certificates themselves. Country Member Banks are borrowing for crop moving purposes while banks located in reserve centers of the district are slightly reducing their loans. The movement of the new crop of wheat has already set in and the proceeds of shipments are finding their way into the country and city banks, thus slightly increasing deposits and to some extent easing up the tight money situation. There has also been a noticeable liquidation of cattle loans due to an improvement in the market for fed cattle.

The weekly statement of the condition of the Federal Reserve Bank and its branches, as of July 16, showed the ratio of total reserves to net deposit and Federal Reserve notes liabilities combined was 41.8%, which compares with 41% on July 9. Outstand-

ing Federal Reserve notes were \$99,190,125.

A combined report of eighty-three selected member banks scattered over the District showed their reserve balances increased to \$49,293,000 on July 2 from \$42,628,000 on June 4. Demand deposits were increased \$6,910,000 in the same four weeks, the total on July 2 being \$426,662,000. The aggregate of their loans was reduced \$2,078,000 in the four weeks.

Clearings reported by the Clearing House Association in the cities of this District show an increase for June of \$20.3% over the same month in 1919 and also an increase of \$20.5% for the first half of 1920 as compared with the clearings for the corresponding half year in 1919.

Commercial Failures, 10th Federal Reserve District.

—Monthly reports of Dun's Review show a very low record of commercial failures in the Tenth Federal Reserve District for the first six months of 1920 and also for the same period in 1919. The record is remarkable when the vast number of business institutions and the enormous volume of business is taken into consideration. The reports for each of the six months for the two years follow:

	Number Failures		Liabilities	
	1920	1919	1920	1919
January	32	26	\$ 367,433	\$ 320,331
February	29	28	484,025	265,103
March	11	30	42,557	582,871
April	32	20	628,450	104,545
May	16	18	179,251	703,255
June	22	9	281,255	31,832
Six Months	142	131	\$1,982,971	\$2,007,937

The reports for the entire United States show 3,352 insolvencies in the first six months of 1920 as compared with 3,463 for the first half of 1919, a decrease in number of 3.2%. Liabilities were \$86,743,876 for this year against \$68,710,886 for 1919, an increase of 26.2%.

MERCANTILE

While the wholesale trade in dry goods is quiet, the June reports show an increase of advance orders for fall shipments. One house puts the increase at 100% over June, 1919, but mentions as a fact that the amount of advance orders increased mainly on account of advanced prices. Production is reported as increasing with a downward trend of prices. Both wholesalers and retailers are buying stocks cautiously.

In the wholesale furniture trade the combined reports of four leading houses in the district show June sales averaged 3.8% less than in May and 6.3% more than in June of last year. Goods are coming in more freely at some centers, but are still scarce at others. While it is felt that prices have reached their highest peak there are no declines in sight.

Wholesale hardware reports say deliveries are still slow, buying is about normal at firm prices. Sales in June were 22% better than in May and about the same as compared with June last year.

Drug sales by wholesalers in June averaged 9% under the volume of May sales but 31% larger than in June a year ago. Wholesalers are buying heavily on account of slow freight deliveries, while retailers are buying liberally. At present prices are advancing more than they are declining.

Industrial chemicals are holding firm in price on account of scarcity, but conditions are improving as to supplies of raw materials. Sales in June were 51% larger than May and 39% larger than in June last year.

Sales for June reported by wholesale grocery houses were about 21.2% larger than in May and 48% above the sales in the same month last year. Retailers were reported as buying cautiously on account of a downward tendency of prices. Unfilled orders were not large.

Retail Trade.—The reports of retail stores generally show that trade was about the same in volume in June as in the month of May, but still considerably ahead of June of last year. The reports all reflect a tendency on the part of the retailers to reduce stocks. A summary of the reports of ten department stores in cities of the Tenth District shows the percent of sales, stocks and orders as follows:

Percentage of net sales during June, 1920, over net sales during same month last year	Inc. 13.4%
Percentage of net sales from January 1 to June 30, over net sales for same period in 1919	Inc. 18.2%
Percentage of stocks at close of June, 1920, over stocks at close of same month last year	Inc. 40.1%
Percentage stocks at close of June, 1920, compared with stocks at close of May, 1920	Dec. 9.2%
Percentage average stocks at close of each month this season, beginning with January to average monthly net sales during same period in 1919	353.4%
Percentage of outstanding orders (cost) at close of June to total purchases (cost) during the calendar year	25.2%

Collections.—Except in a few instances where payments of retailers to wholesalers were not up to normal, the general run of reports showed collections fair to good.

AGRICULTURE

The Federal and State Departments of Agriculture in their July reports showed marked improvement in June in agricultural conditions generally and prospects for larger yields of nearly all of the products of the farms in this Federal Reserve District than previous reports indicated. The weather was favorable throughout the District for farm operations. There were plenteous rains, except in a few sections where it was getting dry, but even in those sections it was said there was sufficient moisture in the soil for good growth. A summary of all reports justifies the belief that when final crop estimates are made, 1920 will rank as among the best crops years of record in this part of the United States.

The 1920 Wheat Crop.—With more than two-thirds of the wheat of this District already harvested at the date of this Monthly Bulletin, threshing is well under way in many localities and new wheat is beginning to move into market channels. Former predictions as to the size of this year's crop of wheat are being upset. While it cannot be expected that the banner wheat producing district will roll up a crop of 300,994,000 bushels, as it did last year, early threshing returns are showing a higher average yield per acre and a finer quality of wheat than the growers anticipated a month or two ago. Assessors' reports, also, are showing that a larger acreage of wheat was sown last fall than was estimated by correspondents reporting to the Bureau of Crop Estimates, while in addition it has been found in many localities that the acreage of wheat abandoned on account of a bad

start or for other reasons is much smaller than was reported in April, May and June. It is generally conceded that the Government's June forecast of 216,399,000 bushels of winter wheat and 19,653,000 bushels of spring wheat for 1920 was too conservative and that the final estimates for this year's crop will disclose a production of wheat 10% to 15% in excess of these totals, or around 260,000,000 bushels of wheat.

In Kansas, Secretary J. C. Mohler of the State Board of Agriculture, reported late in June that assessors' returns indicated a total of 10,100,000 acres of wheat sown last fall, as against the 8,951,834 acres reported by crop correspondents and upon which Government forecasts have been made. The difference of nearly 1,150,000 acres, after allowing for acreage abandoned, materially increases the area for harvest and increases the total production of wheat in Kansas. Edward C. Paxton, agricultural statistician for the Bureau of Crop Estimates, U. S. Department of Agriculture, reported July 11:

"The winter wheat forecast is based on the preliminary estimate of 7,725,000 acres for harvest with a condition of 84% of normal at cutting time. The 110,313,000 bushels promised represents an average probable yield of 14.28 bushels per acre. It is almost certain that the enumeration taken by the Kansas assessors will show that the acreage seeded to wheat last fall was fully 10% greater than this forecast, should threshing returns substantiate this average yield."

Missouri's 19 counties in this district promise 11,255,860 bushels against 10,260,000 bushels produced last year.

Oklahoma has 2,811,000 acres as against 3,760,000 acres for last year's harvest. The condition was reported at 84% at harvest time and the yield was forecast at 35,154,000 bushels of wheat. The report of the Co-operative Crop Reporting Service for that state, dated July 9, says: "Where last year the yield was cut short by the failure of the heads to fill this year they bear grain from the bottom up with kernels plump and heavy. The increased number of farmers who sowed Karned wheat report returns most satisfactory."

Nebraska's winter wheat made wonderful improvement in the thirty days immediately preceding harvest time. The Government's June 1 estimate of 50,896,000 bushels of winter wheat for Nebraska was raised to above 54,000,000 bushels in the July forecast. Some harvest reports and returns from threshing coming from the southern part of the state show enormous yields and indicate that Nebraska will at least duplicate its 1919 record of producing 54,997,000 bushels of winter wheat.

The newspapers are carrying telegraphic reports from Kansas telling of enormous yields per acre being disclosed by the early threshing reports, the indications pointing to higher averages than has yet been estimated. The wheat in Kansas—as in Oklahoma, Missouri and Nebraska so far as reported by growers after threshing—is testing 59 to 64 pounds and is regarded as the best wheat that has been grown in years.

Should conditions continue favorable until the end

of harvest it is predicted that Colorado will have the largest wheat crop in the history of that state, although the acreage is 205,000 less than last year. The State Agricultural Department forecast is for 22,675,000 bushels of both winter and spring wheat as compared with 17,645,000 bushels produced last year. Wyoming reports wheat conditions good and healthy on an increased acreage, with indications pointing to a larger yield than in 1919 when the drought seriously affected all crops in that state. Northern Mexico has a largely increased wheat acreage this year and while the harvest was in progress reports indicated a large yield.

Harvesting the 1920 Wheat.—The harvesting of winter wheat, which began late in May in southern parts of the district, made satisfactory progress through the month of June, except in scattered localities where heavy rains interfered. At the date of this Monthly Bulletin the reports indicated that the harvest was practically over in Western Missouri, Oklahoma, New Mexico and Kansas. It was nearing completion in Nebraska and was under full headway in Colorado and Wyoming.

The reports all tend to show a marked improvement in the harvest labor supply this season as compared with the difficulties experienced last year. This is said to be due to many reasons. One of the most important was increased efficiency of federal, state and city employment agencies, and of civic bodies, in sending able-bodied men to the harvest fields. In Oklahoma a "Save the Grain Committee," with N. R. Graham as chairman, did very effective work toward solving the harvest labor problem by enlisting for this purpose the co-operation of former liberty loan chairmen and workers in every county in that state. Hundreds of men employed in the mines in Missouri, Oklahoma and Kansas helped in the wheat harvest. No trouble was experienced in Kansas on account of shortage of harvest hands, except in the northwestern part of the state; but the release of men from the harvest in the southern and central sections of the state early in July eased up the situation. Another big factor in the solution of the harvest labor problem was a closer co-operation of the country town people and the farmers, by which other activities were suspended temporarily in many communities in order that the wheat might be taken care of.

In many of the large wheat producing sections the harvester thresher machine known as the "Combine," which was introduced and tried out last year, was more generally used in the 1920 harvest. It is estimated that more than 2,000 of these machines were used in this district. As the machine requires only four men to operate it, harvesting and threshing wheat at the same time, it is apparent that there is a great saving of labor. Some of the reports say that it adds from two to three bushels of grain per acre, by saving the grain which usually shatters out and is lost where the cutting and binding, the shocking and later threshing out the grain, are done separately.

Corn.—Condition on July 1 forecast a yield of approximately 400,000,000 bushels of corn on 18,426,000 acres in this district. This compares with 397,247,000 bushels produced last year on 16,785,440 acres. The forecast for July 1 is based on an estimated increase

of 25% in the acreage in Kansas, 5% increase in Oklahoma, 4% increase in Nebraska, some increase in the nineteen western counties of Missouri and also in Colorado, Wyoming and Northern New Mexico. A summary of the situation in the larger corn producing states of the district follows:

	Condition July 1	Acreage 1920	Est. Bushels 1920	Final Bushels 1919
Kans. . . . .	.87%	5,594,000	104,636,000	63,300,000
Nebr. . . . .	.85	7,382,000	188,241,000	184,200,000
Okla. . . . .	.90	3,300,000	55,660,000	74,400,000
Mo. (19 counties)	.82	1,571,750	42,437,250	37,299,000

The reports generally say that seldom has corn been so well cultivated and so free from weeds. In Oklahoma rain is needed in some sections but corn continues to do well and most of the early planted is forming ears. In Kansas normal growth, with good stands and high promise is reported for the southern half of the state, and slightly sub-normal development with only fair stands in the northern half. In Nebraska the fields are in fine state of cultivation, free from weeds and promising a good crop. The same report comes from Western Missouri. The condition in Colorado is said to be below normal, many fields showing poor stands, although Wyoming reports corn in very good condition.

Oats were reported in good condition with indications of an increase of 5% to 10% above the crop of last year which in this district was 182,677,000 bushels. In the southern half of the district most of the oats were in the shock by July 4. Rye and barley, now being harvested, were about the same as to percent of condition as wheat. Flax in Colorado promised well. Cotton was making fine progress in Oklahoma, the condition running from good to excellent and little damage from weevil to plants which were blooming.

The potato crop in the Kaw Valley of Kansas was saved from being cut short by timely rains. Large growers in that region reported yields about normal. Nebraska also reported improved potato prospects, with indications of a much better crop than last year.

The Government's forecast on hay for this district indicates a production of 24,055,000 tons, which compares with 19,907,000 tons as last year's total production. Conditions for hay and pasturage, the reports said, were never better.

Orchardists in the Missouri Valley sections reported that the apple crop will be about the same as last year, or 50% to 60% of a full crop. In Colorado the best crop in many years was reported with a prospective output of 3,204,000 bushels, compared with 2,795,000 bushels in 1919. Peaches were making fairly good progress in the southern Missouri commercial orchards, while Colorado reports placed the condition at 50% of normal with an estimated yield of 638,000 bushels against 840,000 bushels last year.

Grain Movement.—In spite of the continued complaints of a shortage of cars the receipts of wheat at the primary markets of the Tenth Federal Reserve District in the month of June and in the twelve months ending June 30 established a new high record. The figures for the "wheat year" on receipts at Kansas City and Omaha convey some idea of the volume of wheat movement:

	Year 1919-20 Bushels	Year 1918-19 Bushels
Kansas City	92,355,200	54,006,750
Omaha	26,345,000	19,718,000

Arrivals of corn, oats and barley in the last twelve months were in greatly reduced volume, due to the fact that prospective war demands for wheat at the time of planting for last year's harvest called for the use of several million acres of land formerly planted to these cereals. The dry weather last year also had something to do with reducing the corn yield. The receipts of these grains for the crop year at Kansas City, with comparison, follow:

	Year 1919-20	Year 1918-19
Corn	11,432,500	19,936,450
Oats	7,787,700	16,606,900
Kafir	4,660,700	1,854,700
Rye	637,200	471,900
Barley	2,232,000	2,324,000

Grain Prices in June.—Price ranges of grain at Kansas City for the month of June, with the high and low figures for the same month in 1919, are fairly indicative of the trend of the markets of this district. These prices were:

	June, 1920	June, 1919
No. 1 Hard Wheat	\$2.70@3.04	\$2.40@2.66
No. 1 Red Wheat	2.71@2.96	2.28@2.52
No. 2 White Corn	1.77@1.98	1.73@1.88½
No. 2 Yellow Corn	1.70@1.97	1.76@1.84
No. 2 Mixed Corn	1.65@1.90	1.73@1.84
No. 2 White Oats	1.05@1.17	.68½@.74
*No. 2 White Kafir	2.38@2.60	3.22@3.55
No. 2 Rye	1.93@2.23	1.33@1.50
No. 4 Barley	1.38@1.48	1.12@1.24

*Per Cwt.

Milling.—The flour milling industry of this district made its best record in the crop year which ended June 30, 1920. The output of flour from the mills at Kansas City in the twelve months was 3,689,550 barrels and at Omaha it was 912,819 barrels. Eighty-nine mills in Kansas, Nebraska, Oklahoma and Missouri, which report weekly to the Northwestern Miller, produced 15,924,177 barrels of flour during the crop year. According to these figures, the total output at Kansas City, Omaha and at outside points from which reports were received, was 20,524,969 barrels. This compares with 16,630,723 barrels of flour produced by these mills in the crop year ending June 30, 1919, the increase being about 23½%. A number of other mills in this territory from which no complete figures on the flour output are available, report about the same increase. June flour prices ranged \$12.65@14.75, or 35c@75c below May prices.

LIVE STOCK

Conditions continue exceptionally good throughout the district for all kinds of live stock. Pastures in most localities never were better than now, and there are no epidemics among animals. Prospects for any material increase in the supply of meat animals on the markets during the fall and winter are not encouraging, as it is conceded that it will take three to five years to build up the live stock industry after such inroads as were made on it during the war, coupled with the dry season in the northeastern part of the district last year. In the mountain regions the lamb and calf crop suffered greatly from the severe storms in the spring. In the rest of the district the

calf crop is about the same as last year. The pig crop this year is reported a little below normal, with some indications of improvement in some sections. Purebred stock sales are reported as generally satisfactory and indicate greater interest in better live stock.

The Live Stock Markets.—The movements of live stock to the markets of this district in June was 2,731 cars less than in May and 289 cars less than in June of last year. Compared with May receipts there was a small decrease in the supply of cattle and sheep but a large falling off in hog receipts, amounting to 216,700 head. Calves received were 20,899 or 64.4% more than in May. Compared with the receipts of June, 1919, the total at the six markets for June shows increases of 12% on cattle and 18% on calves and losses of 13% on hogs, 22% on sheep and 2.6% on horses and mules. A statement covering the first six months of the year shows a marked reduction in the supply of cattle and hogs but a small increase of calves and sheep as compared with the first six months of last year.

Prices.—Trade in cattle in June was more encouraging to shippers than any previous month this year. Values started upward early in the month and were carried at the close to the highest levels of the year. Beef steers which topped the markets at around \$13 at the beginning of June sold as high as \$16.25@16.75 at the close of the month. Other cattle showed about the same range of price. feeders selling at as low as \$8.25 for tops early in the month reaching \$13.50 at the close. Heavy advances were said to have been the outcome of depleted feed lots and a scarcity of well finished steers. Cattle prices, however, broke early in July, the western markets following the lead of Chicago in a decline of 50c to \$1 from the high prices at the end of June. Prices of hogs also worked upward during the month of June and were generally \$1.60 higher than at the close of May, but \$4.80@4.90 lower than one year ago. The top price reached at Kansas City was on June 30 when \$16.15 was paid. Sheep prices at the markets of this district were somewhat demoralized, due to a break in Eastern markets. Final prices in June showed sheep were \$1.50@3 lower and lambs \$1@1.25 lower than at the end of May.

Packing Operations.—Purchases of cattle by packers in the month of June were about 7% less than in May and 3% less than in June of last year. June was

a good month for the slaughter of calves, the total at the six packing centers being 55% larger than in June of last year. Hogs slaughtered in June were 201,500 or 25% less than in May, and 117,500 or 16% less than in June last year. Purchases of sheep for slaughter in June were slightly under the May purchases and 16% less than in the same month last year.

The statement of packing operations for the first six months of 1920, as reflected by the purchases of animals for slaughter, shows increased slaughter of cattle, calves and sheep and a decrease in the slaughter of hogs as compared with the record of the first six months of 1919.

PETROLEUM

Intensive development of old and proven fields and increased drilling activity in new territory this season is gradually bringing up production of crude oil. This is particularly noticeable in the reports from Oklahoma and Kansas of the mid-continent field and in Wyoming and Colorado fields. Pipe line runs are now beginning to exceed shipments and reserve stocks are getting back to something like normal. Although this, to some extent, is said to be the result of inability of refiners to obtain tank cars to move oil and its products to and from plants—and several of the refineries are not operating at full capacity—the reports clearly indicate that the output of oil is increasing month by month. Operators are in good spirits and with the high prices they are now receiving for crude oil they see a boom for the industry.

June was the best month of the present year in crude oil production, according to the reports. It is estimated that there was a daily output of 427,665 barrels from wells in the Tenth Federal Reserve District, or a total of 12,821,250 barrels for the month. At current prices the total value of the crude oil in June was approximately \$40,345,000. The June production figures estimated from the reports, and probably slightly under the official figures not at this time available, follow:

	Daily Prod'n. Barrels	Prod'n. for Month Barrels
Kansas	96,750	2,902,500
Oklahoma	285,905	8,568,750
Wyoming	45,000	1,350,000
Total June (30 days)	427,655	12,821,250
Total May (31 days)	410,000	12,710,000

Development operations in June were more active and generally more satisfactory as to results than in

**MOVEMENT OF LIVE STOCK SIX MONTHS IN DISTRICT No. 10
RECEIPTS FIRST HALF OF YEAR**

	Cattle	Calves	Hogs	Sheep	Horses & Mules
Six months, 1920	2,431,445	222,685	5,153,440	2,900,694	111,730
Six months, 1919	2,630,751	212,427	6,183,771	2,748,821	65,274
Six months, 1918	2,903,224	139,095	5,579,475	2,606,262	91,402
RECEIPTS FOR JUNE					
Kansas City	151,156	26,188	205,919	130,006	3,345
Omaha	90,581	5,944	281,549	131,752	1,052
Denver	64,095	5,708	31,182	41,411	1,311
St. Joseph	41,777	10,695	112,748	49,281	1,228
Oklahoma City	30,130	3,460	30,664	769	174
Wichita	17,016		42,910	2,811	1,271
Total for June, 1920	394,755	52,055	774,972	356,030	8,381
Total for June, 1919	352,565	44,123	890,461	446,249	8,604

the previous month, as the summary which follows shows:

	New Wells Completed	Daily New Rigs & Wells Prod'n., Bbls.	Drilling
Kansas	309	13,743	481
Oklahoma	796	89,667	2,285
Wyoming	30	3,560	562
June, 1920	1,135	106,970	3,328
May, 1920	1,277	102,815	3,190
June, 1919	1,136	55,011	2,473

While, according to the foregoing, completions were 142 less, the gain of 4,655 barrels daily new production for June over May is regarded as an indication that the peak point in oil production has not been reached. The bulk of the new production in Kansas was in the Marion and Butler districts, while in Oklahoma Osage, Okmulgee, Carter, Stephens and Cotton furnished about 83% of that state's new production in June. The summary is also interesting as a means of comparing development operations and their results with those of the same month last year.

June crude oil prices in Kansas and Oklahoma were practically the same as in May, \$2.75 per barrel for Healdton and \$3.50 per barrel for all other grades. Wyoming crude oil sold at the same prices prevailing in May.

MINING

Lead and Zinc.—The half year period ending June 30 was unique in that in spite of the difficulties faced by the Missouri, Kansas, Oklahoma mine operators in rising costs and difficulties of securing supplies, they still showed an increase in shipments aggregating 64,153 tons with a value of \$5,547,906 greater than for the same six months in 1919. There was a small decrease in calamine ores amounting to 2,623 tons, but this was compensated for by an increase in price of \$10.20 per ton for that period. There was also an increase of \$10.42 per ton for blende ores over the same period of 1919. The half year just closed is, therefore, of interest in demonstrating the remarkable productive powers under adverse conditions of the zinc mining district. What is true of zinc ores applies with double force to lead ores. The half year just closed showed an increase of 12,448 tons of lead ore shipped over 1919 and an increased value of \$2,923,068. The increased value of both lead and zinc ores totaled practically eight and one-half million dollars. A part of this increased value, of course, has come from the remarkable increase in the price of lead ores over 1919. Lead ores averaged for the first half of 1919 \$58.27 per ton, while for 1920 first half year the average was \$102.40, an increase of \$44.13 per ton.

The month of June showed another decrease in shipments for zinc ores. The shipments for June averaged 8,991 tons compared with 9,703 in May. Shipments of calamine averaged 159 tons per week as compared with 223 tons in May. Prices for zinc ores did not vary greatly throughout the month, prices ranging from \$42.50 to \$45.00 for blende ores and \$35.00 for calamine ores. The averages for the month were \$44.04 for blende ores and \$35.00 for calamine ores. The aggregate shipments for the month were 35,966 tons of blende ores and 636 tons of calamine ores.

The same conditions that prevailed for zinc ores also prevailed in regard to lead ores, shipments decreasing to 1,668 tons per week as compared with 1,959 tons in May. Prices also dropped from \$100.00 at the beginning of the month to \$90.00 at the end of the month. The average price for all sales was \$93.57, which compared with \$102.34 in May. The aggregate shipments of lead ores for the month was 6,674 tons. Decreased shipments were due in part to a continued inability to secure cars and also to the decision of mine operators to sell no more ores than was absolutely necessary on the present market. The last week of the month was marked by a complete closing down of the entire mining district, only two mines operating in the entire Oklahoma field. This action was brought about by the realization that the inability to ship ores, the difficulty of obtaining labor, which was rapidly deserting the mines for the harvest fields, the desire to curtail production in order to stabilize the market and eliminate the huge stock of surplus ores existing in the fields. The shut-down is scheduled for two weeks, no mines intending starting up earlier than the 12th of July. This is the most complete shut-down in the history of the industry and coming co-incident with the holiday season of Independence Day it makes it less harmful for the unemployed than would otherwise have resulted.

Colorado Metal Mines.—The metal mining conditions in Colorado have been marked during the past month by a considerable shortage of labor in practically all the mining districts of the state. It is particularly acute in Cripple Creek and in connection with the other difficulties of the gold producers will probably result in a very much decreased production of gold for the year. A few new operations are reported from various parts of the state, but the larger mines are finding it difficult to keep up production on account of the impossibility of obtaining a sufficient number of men. There is very little prospecting going on and consequently not much chance of anything new being found this season.

Coal.—While production of bituminous coal in the United States for the 1920 coal year to July 1 is something over 41,000,000 tons ahead of 1919 at that date, it is also about 26,000,000 tons behind 1918 production up to July 1. Coal production seems from all reports to have hit a snag, or at least the output shows no perceptible sign of improvement. The biggest factor, it is shown by reports from all fields, is the transportation disability. At the mines of this district there was some slight improvement in the supply of cars, but as a matter of fact the car situation is acute in Missouri, Kansas and Oklahoma and is proving a serious hindrance to the production and movement of coal. Loss on account of labor disturbances is now very low, though there are some scattered strikes here and there. And with the shortage of production and distribution there is a constantly growing demand for coal and no easement from present high prices in sight.

Building

Building operations in the cities of this district, reported to the Monthly Bulletin for the month of June, clearly reflected the conditions which are hampering

building. These are summed up as poor freight service, high material costs and tight money. The June reports show a total of 1,386 permits issued, as compared with 1,990 in May and 1,592 in June a year ago. The estimated cost of June construction is placed at \$5,876,742 as compared with \$6,772,615 in May and \$7,047,693 in June, 1919. For the six months of 1920, however, building operations are 89.3% ahead of the same period in 1919 as to value of construction, the total estimated cost of buildings for this half-year being \$45,843,902 as against \$24,224,107 for the first half of last year. The number of buildings for which permits were issued was 10,644 which is 1,553 more than last year.

PACKERS PURCHASES OF SLAUGHTER ANIMALS FIRST SIX MONTHS OF YEAR

	Cattle	Calves	Hogs	Sheep
Six months, 1920	1,248,300	179,508	3,939,215	1,769,820
Six months, 1919	1,130,465	114,608	4,247,886	1,457,369
Six months, 1918	1,153,535	95,500	3,726,200	1,301,200

PURCHASES FOR JUNE

	Cattle	Calves	Hogs	Sheep
Kansas City	69,518	20,547	166,588	97,823
Omaha	60,703	4,699	205,437	82,392
Denver	11,436	2,491	31,116	8,314
St. Joseph	24,750	10,038	152,848	41,353
Oklahoma City	613	27	2,716	63
Wichita	7,088		42,507	649
Total for June, 1920	174,108	37,702	601,212	230,574
Total for June, 1919	179,035	30,301	718,790	274,482

BUILDING PERMITS FOR CITIES IN TENTH DISTRICT FOR JUNE, 1920

CONDITION OF EIGHTY-THREE SELECTED MEMBER BANKS

	July 2, 1920	June 4, 1920
Total U. S. Securities owned	\$ 52,392,000	\$ 54,113,000
Loans secured by war obligations (Liberty Bonds, Victory notes, Certificates of Indebt.)	20,921,000	19,549,000
Loans secured by stocks and bonds other than U. S. Securities	80,627,000	79,185,000
All other loans and investments	453,156,000	458,048,000
Reserve balance with F. R. Bank	49,293,000	42,628,000
Net demand deposits on which reserve is computed	426,662,000	419,752,000
Time Deposits	97,828,000	98,936,000

	June, 1920		June, 1919		Pct. Gain or Loss
	Permits	Est. Cost	Permits	Est. Cost	
Omaha, Neb.	111	\$ 1,888,620	222	\$ 634,320	197
Kansas City, Mo.	350	1,452,950	414	937,550	54
Denver, Colo.	342	753,700	278	521,650	44
Tulsa, Okla.		585,793		2,219,743	— 73
Okla. City, Okla.	117	334,015	161	868,605	— 61
Wichita, Kans.	79	240,767	116	801,340	— 69
Lincoln, Nebr.	49	128,750	75	161,380	— 20
Topeka, Kans.	46	119,365	43	152,790	— 21
Muskogee, Okla.	16	74,950	15	53,355	41
Leavenworth, Kan.	2	64,000	7	9,700	553
St. Joseph, Mo.	53	56,021	67	187,855	— 70
Colo. Spgs., Colo.	89	46,630	36	24,454	96.8
Okmulgee, Okla.	27	42,550	67	229,750	— 81
Pueblo, Colo.	60	42,256	53	43,200	— 1
K. C., Kan.	27	37,445	47	170,276	— 78
Cheyenne, Wyo.	18	8,930	17	31,725	— 60.9
Total June, 1920	1,386	\$ 5,876,742	1,592	\$ 7,047,693	— 16.6
Total 6 months	10,644	\$45,843,902	9,091	\$24,224,107	89.3

BANK CLEARINGS IN CITIES OF TENTH DISTRICT

	June, 1920	June, 1919	Inc. or Dec.	Six Mos., 1920	Six Mos., 1919	Inc. or Dec.
Kansas City, Mo.	\$1,001,527,090	\$ 845,198,349	18.5%	\$6,160,530,479	\$4,950,350,476	24.4%
Omaha, Neb.	247,216,949	233,979,756	5.7	1,711,369,696	1,442,509,155	22.8
Denver, Colo.	162,273,406	128,146,460	26.6	950,915,004	726,125,251	31.0
St. Joseph, Mo.	70,182,885	67,274,414	4.3	480,653,326	454,043,900	5.9
Wichita, Kans.	66,709,585	50,046,474	33.3	368,363,098	259,516,255	41.9
Tulsa, Okla.	59,485,467	41,941,989	41.8	339,163,014	243,301,964	39.4
Oklahoma City, Okla.	55,154,016	44,897,443	22.9	337,606,122	256,364,979	31.7
Lincoln, Nebr.	23,918,413	20,487,459	16.7	162,054,536	125,284,924	29.7
Kansas City, Kans.	21,099,893	2,673,602	689.2	108,814,045	18,454,169	489.6
Muskogee, Okla.	20,523,423	12,382,070	65.7	117,521,234	70,856,641	63.9
Topeka, Kans.	15,298,192	14,425,681	6.	93,147,179	80,227,761	16.1
Joplin, Mo.	7,607,434	5,933,131	28.2	50,385,093	39,394,000	27.9
Cheyenne, Wyo.	7,229,668			43,617,792		
Okmulgee, Okla.	5,970,984	3,692,283	61.3	37,780,477		
Colorado Springs, Colo.	4,806,038	4,219,821	13.9	31,553,089	22,254,153	41.7
Pueblo, Colo.	4,795,902	3,430,458	36.8	25,273,291	19,369,461	30.5
Bartlesville, Okla.	4,750,780	4,130,553	12.6			
Atchison, Kans.	4,020,432	2,589,132	55.			
Hastings, Nebr.	3,648,019	2,760,420	32.2	24,952,366	14,735,769	69.3
Fremont, Nebr.	3,552,518	3,255,628	9.2	22,886,893	19,739,513	15.9
McAlester, Okla.	2,975,000					
Guthrie, Okla.	2,753,325	1,272,639	116.4			
Miami, Okla.	2,734,479					
Lawrence, Kans.	1,906,447	1,688,786	12.8	11,790,790	10,245,556	15.1
Parsons, Kans.	1,901,754	1,700,187	11.8			
Lawton, Okla.	653,609	856,636	31.			
Emporia, Kans.	406,061	757,562	46.4			
Total	\$1,802,700,708	\$1,496,938,371	20.3%	\$8,138,347,524	\$6,752,953,927	20.5%

*Totals for six months do not include Clearing Houses for which no complete reports are made.

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

RESOURCES

	At Close of Business	
	July 9, 1920	July 16, 1920
Gold Coin and Certificates...\$	498,250.00	\$ 511,900.00
Gold Settlement Fund F. R. Board	25,832,041.99	26,301,434.61
Gold with F. R. Agent.....	36,795,200.00	36,598,950.00
Gold Redemption Fund.....	4,247,732.20	4,106,182.20
Gold with Foreign Agents...	5,353,445.28	5,353,445.28
Legal Tender notes, silver, etc.	1,630,350.50	1,650,593.15
Bills Discounted:		
Secured by Govt. War Obligations	47,092,445.69	45,076,567.65
All other	62,590,037.39	61,306,843.44
Bills Bought in open market..	2,615,883.90	2,736,172.48
U. S. Govt. Bonds.....	8,867,900.00	8,867,900.00
U. S. Cert. of Indebtedness..	12,938,500.00	12,879,500.00
Bank Premises	730,120.39	762,337.92
Uncollected Items and other deductions from Gross Deposits	61,823,055.83	70,091,738.00
5% Redemption Fund Against F. R. Bank notes.....	915,590.00	915,590.00
All Other Resources.....	200,925.15	220,670.60
Total Resources.....	\$272,131,478.32	\$277,379,825.35

LIABILITIES

	At Close of Business	
	July 9, 1920	July 16, 1920
Capital Paid In.....\$	4,311,800.00	\$ 4,313,150.00
Surplus	8,395,257.87	8,395,257.87
Government Deposits	1,281,642.51	795,687.71
Due to Members, Res. Act....	82,479,754.03	83,599,825.30
Other Deposits	2,229,154.67	2,139,750.79
Deferred Availability Items..	58,142,643.15	62,284,268.26
F. R. Notes in Actual Circulation	98,651,435.00	99,190,125.00
F. R. Bank Notes in Actual Circulation	15,088,500.00	15,006,900.00
All Other Liabilities.....	1,551,291.09	1,654,860.40
Total Liabilities.....	\$272,131,478.32	\$277,379,825.33

OTHER TOTALS

Total Gold Reserves.....\$	72,726,669.47	\$ 72,871,912.09
Total Earning Assets.....	134,104,766.98	130,866,983.57
Total Gross Deposits.....	144,133,194.36	148,819,532.06
Contingent Liability as Endorser on Bills Rediscounted with other F. R. Banks.	12,766,949.04	19,493,084.38
Ratio of Total Reserves to net Deposit and F. R. notes liabilities combined	41.0%	41.8%
Ratio of Gold Reserve to F. R. notes in actual circulation after setting aside 35% against net deposit liabilities	44.5%	45.6%

CLEARINGS

Total Clearings for Week....	\$193,185,026.24	\$242,591,742.03
Total number of items handled	852,443	1,021,125