

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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REPORTS to the end of the eighth month, covering the various agencies which make for business in this district, disclose good progress toward the usual brisk fall activity.

To the exceptionally large crops grown this year, previously reported to the Monthly Bulletin and which should form the basis for solid business and financial conditions, the Government's September forecast for the district added 65,507,000 more bushels of corn and 4,016,000 more bushels of oats to August totals. This brought production of corn in the district to 548,697,000 bushels or 17.3% of the Nation's total, oats to 202,799,000 bushels or 14% of the Nation's total, while the 260,723,000 bushels of wheat credited to the Tenth Federal Reserve District this year represents 33.8% of the entire crop grown in the United States.

Crop marketings, somewhat reduced from the abnormally heavy marketings at this time last year, were sufficient in August for trade requirements, while at the same time the proceeds exerted an influence for the betterment of the entire situation. The railroads, according to all reports, put larger efficiency into the movement of crops without adding materially to their equipment, and although the transportation service is far from adequate, there is less complaint of car shortage, delayed freight and congestion at terminals, while a freer movement of all freights is reported.

Wholesale reports would indicate that production has about caught up with demand and that there is less difficulty in obtaining supplies, yet uncertainty of prices is restricting trade to immediate requirements. Retail merchants, feeling the beneficent effects of new crop money, are reporting increased buying activity with medium-priced goods generally preferred, and their reports reflect confidence in a bright trade outlook for the fall and winter.

The August petroleum output was the second largest of any month this year, and development activities are going on with a rush so as to maintain high production. The coal situation cleared perceptibly during August, with miners at work at increased wages, and excellent prospects for a good supply of coal for the winter. Zinc and lead ore mining showed improvement with shipments increased 20% and 12% over the previous month and at better prices. Metal mining in Colorado showed little change.

Building permits issued in August were the lowest

of the year, indicating that high wages, high priced materials, transportation difficulties and the financial situation were curtailing activities.

The new freight rates, effective August 26, are reported as working hardships on many of the industries, particularly on shipments of coal, salt, ores, lumber and building materials. The effect of the new rates, as reported, is to increase prices to consumers and to prolong price adjustments.

While the movement of live stock to the markets was in reduced volume as compared with movements in August last year, the August supply of meat animals was about normal. Many warnings are uttered that the future meat supply of the country is threatened by the premature slaughtering of cattle and calves. Still, there is much encouragement in a broader movement of breeding stock from the markets to the country and a concerted planning of bankers and business men to aid farmers and growers with long time loans in building up their herds and flocks.

FINANCIAL.

The demand for money and credit continues strong in this chiefly agricultural district and rates are holding firm and unchanged. Crop marketings are influencing liquidation of loans to a considerable extent, but on account of the reduced volume at which grain is moving as compared with last Autumn, together with new and insistent requirements that are constantly arising, the lightening of the tension on the finances of this district is slow.

The Federal Reserve Bank's statement of September 17 showed a decrease of \$3,799,059.33 in discounted bills secured by Government war obligations, and an increase of \$8,981,048.18 in all other bills discounted, as compared with the exhibit of September 10. The ratio of total reserves to net deposits and Federal Reserve notes liabilities on September 17 was 41.9%, which compares with 40.7% one week previous.

Oklahoma City Branch.—A branch of the Federal Reserve Bank in District No. 10 was opened for business on August 2 at Oklahoma City with Mr. C. E. Daniel as manager. This branch was authorized by the Federal Reserve Board in January of this year. The directors are Mr. William Mee, Mr. E. K. Thurmond, Mr. C. E. Daniel, Mr. Dorset Carter and Mr. P. C. Dings.

Showing of Member Banks.—Weekly statements, as of September 3, of eighty three selected member banks

in the Tenth Federal Reserve District, combined, show a decrease of \$1,088,000 in the total of their loans as compared with the showing made in statements as of August 6. In the same time these member banks increased their reserve with the Federal Reserve Bank \$3,260,000 and added \$18,174,000 to their demand deposits on which reserve is computed and \$833,000 to their time deposits. A summary of the statements follows:

	Sept. 3, 1920	Aug. 6, 1920
Total U. S. Securities owned.....	\$ 53,355,000	\$ 53,692,000
Loans (exclusive of discounts) secured by U. S. War obligations.	20,123,000	19,661,000
Loans secured by stocks and bonds other than U. S. Securities.....	80,288,000	80,198,000
All other loans and investments...	450,124,000	451,764,000
Reserve Balance with F. R. Bank..	47,598,000	44,338,000
Net demand deposits on which reserve is computed.....	426,849,000	408,675,000
Time deposits	98,661,000	97,828,000

Clearings.—Twenty-nine cities of this district are represented in the clearing house reports for August, their transactions aggregating \$1,812,271,445. This is less than 1% larger than the clearings reported for July and also for June this year. Compared with August, 1919, however, there is a decrease of 3.5%, this percentage being computed on the returns from twenty-five clearing houses reporting for August this year and last. The report follows:

	Aug., 1920	Aug., 1919	Pct. Change
Kansas City, Mo.....	\$ 976,568,885	\$ 1,113,475,156	-12.2
Omaha, Neb.	226,158,102	268,731,635	-15.8
Denver, Colo.	152,301,592	137,031,366	11.1
Okla. City, Okla.....	127,341,505	60,005,823	112.2
Wichita, Kans.	66,244,771	65,224,884	1.5
St. Joseph, Mo.....	62,357,665	74,397,120	-14.8
Tulsa, Okla.	54,861,654	42,990,670	27.6
Lincoln, Neb.	22,681,505	24,010,867	- 5.5
Kansas City, Kans....	22,328,518	3,064,007	628.7
Muskogee, Okla.	18,005,644	12,866,517	39.2
Topeka, Kans.	13,901,339	14,651,402	- 5.1
Cheyenne, Wyo.	7,395,132		
Joplin, Mo.	7,286,657	6,521,521	11.7
Grand Island, Neb....	6,499,665		
Okmulgee, Okla.	5,514,876	3,954,327	39.4
Colorado Spgs., Colo..	5,231,308	4,987,774	4.8
Bartlesville, Okla. ...	4,318,184	4,074,377	6.2
Pueblo, Colo.	4,025,750	3,012,631	33.6
Atchison, Kans.	3,876,389	3,032,121	27.8
Hastings, Neb.	3,712,139	3,448,783	7.6
Fremont, Neb.	3,603,881	4,230,266	-14.8
Guthrie, Okla.	3,411,119	2,091,938	63.0
Pittsburg, Kans.	2,555,251	2,328,520	9.8
McAlester, Okla.	2,352,000		
Miami, Okla.	2,133,855		
Parsons, Kans.	2,019,836	1,955,351	3.3
Lawrence, Kans.	1,816,044	1,913,888	- 5.1
Lawton, Okla.	1,601,463	1,125,123	42.0
Emporia, Kans.	1,166,716	744,471	56.6

August totals	\$ 1,812,271,445	\$ 1,859,870,528	- 3.5
Eight months	11,751,617,647	10,264,775,418	14.4

An analysis of the reports presented in the foregoing table leads to the conclusion that the smaller grain and live stock movements in August, as compared with a year ago, had something to do with the decreased clearings at the big Missouri river market centers.

Commercial Failures.—Eleven insolvencies involving \$85,735 as the total liabilities is the record for August, 1920, in the Tenth Federal Reserve District

reported by Dun's. This report compares with 17 failures and \$141,370 of liabilities in August, 1919. For the first eight months of this year the failures totaled 187 and the liabilities \$2,617,616, against 169 failures and \$3,050,495 liabilities in the first eight months of last year.

Collections.—Payments, which for the summer months exhibited a tendency to decline from the high levels of previous ten or twelve months, were reported as improving under stimulus of crop marketings. Merchants in their August reports, as a rule, indicated that collections were fair or good, poor collections being reported only in spots where affected by local conditions. Still, it was noted that on the whole, collections were not as good as at this time last year, and that there was a larger percentage of slow accounts. This tendency was regarded as due to a large extent to the slower movement of crops to markets, and also to a determination of more farmers than usual to hold their products for more favorable prices, and generally was not regarded by merchants as anything serious.

MERCANTILE.

Sale of merchandise by wholesalers, to retailers, and by retailers to consumers, made some improvement in August over July and were considerably larger in volume than in August a year ago, according to the reports to the Monthly Bulletin. Merchants in this part of the country, as a rule, regard the outlook for late fall and winter trade as exceptionally good, but on account of uncertainty of prices of merchandise they are exercising an unusual degree of caution in placing orders for goods.

Wholesale.—In the wholesale trade the lines which in August showed particular activity were furniture and hardware, though dry goods and millinery made gains over July and August of last year, and sales of drugs and groceries showed declines from the previous month sales but were better than a year ago. No conspicuous changes were noted in other lines. A summary of the reports of wholesalers shows the percentage of increase or decrease in sales in August over sales in July of this year and August of last year.

	August Sales compared with July, 1920	August Sales compared with August, 1919
Dry Goods	5.0%	10.0%
Millinery	3.4	9.4
Drugs	- 3.4	29.3
Groceries	-14.9	3.4
Furniture	34.1	27.2
Hardware	10.0	28.6

All reports, except those on hardware, indicate unfilled orders are not large because of production catching up with demand. In hardware wholesalers are finding difficulty in obtaining staple articles, and particularly steel, to meet the demand of customers. They are supplying what they can obtain and permitting customers to seek elsewhere for the balance.

There is a deadlock between manufacturers of textiles and wholesalers of dry goods as regards purchases for the future. As soon as a price basis is reached it is expected that wholesale dry goods merchants will place orders freely. They report that they are not offering spring goods to retailers for

future orders. Strained condition of credit, they report, also keeps them from placing future orders with manufacturers.

Activity in the wholesale furniture trade is attributed to increased supplies, enabling retailers to buy according to their needs, although there is no disposition on the part of retailers to stock up heavily. Letters are now received by wholesalers asking for business, whereas at this time last year when furniture stocks were low and almost depleted, manufacturers were oversold. The uncertainty of prices is said by wholesalers to explain the cause of dullness in the grocery trade in August.

Retail.—The reports of department stores in the cities of this district reflect the trend of retail trade during the month of August. A summary of the reports of twelve department stores follows:

Percentage of net sales during August, 1920, compared with net sales during same month last year	Inc.	10.1%
Percentage of net sales this season from July 1 to August 31, 1920, compared with net sales during same period last year	Inc.	14.4%
Percentage of stocks at close of August, 1920, compared with stocks at close of same month last year	Inc.	39.2%
Percentage of stocks at close of August, 1920, compared with stocks at close of July, 1920	Inc.	10.0%
Percentage average stocks at close of each month this season (commencing with Jan., 1920) to average monthly net sales during same period		334.0%
Percentage outstanding orders (cost) at close of August, 1920, to total purchases (cost) during calendar year		9.2%

In addition to the showing made by the department stores are the reports of a number of retail dry goods, clothing, millinery, shoes and general merchandise houses. Except where local conditions interfered, as the Denver street car tieup, these reports show a normal retail trade in August, with improvement over July and indications of the disappearance of summer season dullness. It is reported in some quarters that the "trade" is asking for cheaper goods and there is a noticeable falling off in the demand for higher priced merchandise.

AGRICULTURE.

Moderate to heavy rains accompanied by much cloudiness and low temperatures through August and the first half of September served to continue the growth of vegetation two to four weeks later than usual and added to the enormous field crops previously forecast. Such conditions, however, retarded farm work, particularly the threshing of the 1920 crop of wheat and the preparation of seed beds for planting this fall. The weather was also unsuited to the proper maturing of corn, sorghums and other crops, and the late reports say that two or three weeks of normal weather with plenty of sunshine are needed to make this year's crop safe from frost.

Corn made good progress through August and the high percent of condition reported at the beginning of the month was more than maintained, promising a yield above the average for the ten years preceding. The condition of corn September 1, as announced by the Bureau of Crop Estimates, U. S. Department of Agriculture, was: in Oklahoma 93%, Kansas 81%, Missouri 84%, Colorado 92%, Wyoming 93% and

New Mexico 90%. The forecast for the leading corn-growing states of the district as of September 1, 1920, compared with the forecast for August 1, 1920, the final estimate for 1919, follows:

	Sept. 1 forecast from condition	Aug. 1 forecast from condition	Final Estimate Year 1919
Kansas	151,793,000	139,385,000	69,362,000
Colorado	16,215,000	15,862,000	11,206,000
Nebraska	243,717,000	212,602,000	188,241,000
Wyoming	1,456,000	1,488,000	768,000
Oklahoma	90,814,000	83,491,000	74,400,000
New Mex. (10 counties)	2,196,000	2,076,000	2,400,000
Missouri (19 counties)	45,960,000	42,437,000	37,823,000

The Government's figures for September indicate an increase of 65,507,000 bushels of corn over and above the August 1st forecast from conditions prevailing at that time, the September estimate of 548,679,000 bushels being 175,809,000 more than the yield in 1919.

In Oklahoma corn has made fairly good progress toward maturity. It is usual for corn to deteriorate an average of 5% during August, but this season's large acreage is reported to have made the most of the beneficent rainfall. Early corn is making record yields per acre and late planted fields continue unusually high in condition. A few places in the north-western part of the state suffered local losses from insufficient moisture or insect damage.

In Kansas, where the yield is now estimated at 27.14 bushels to the acre, as compared with 14.8 bushels as the ten year average, the reports say the present crop is practically made except for danger of early frost. Should frost be delayed to an average date—October 10th to 25th in the eastern half and October 2nd to 22nd in the western half—it would seem that the bulk of the crop should be safe.

In Nebraska, where the largest corn crop of record is in prospect, the late planted corn is maturing very slowly. In some places the ears are still soft and will require an abundance of sunshine and moderately warm weather during the latter part of September and early in October. The same situation prevails to a considerable extent in the northwestern corn-growing counties of Missouri where an exceptionally large yield is promised. In the Mountain states of this district the weather had been too cool for corn to make good progress although the report from these states is most encouraging.

Wheat.—Threshing has made slow progress in many localities where there have been frequent and heavy rains. More wheat was stacked this year than usual and a large part of the threshing is to be done in September and October. The rain has damaged wheat in the shock, stack and bin to an extent as yet undetermined. The growth of grass on fields prepared for fall sowing is causing extra work for the farmers. Seeding of wheat is already under way in the big wheat growing states. While no official estimates have been placed on the acreage of wheat to be sown this fall there are indications of a larger acreage to be harvested next year. The Missouri report says farmers are preparing to increase wheat seeding this fall 30% and preparation of the seed bed is well along. A great amount of early plowing is reported in Kansas and preparation for seeding is well advanced in

that state, and also in Oklahoma. In Nebraska some winter wheat has been planted. The supply of Kanred wheat for seed is not sufficient to meet the demand.

Cotton.—The cotton crop in Oklahoma is reported as being considerably better than the past ten year average. Picking has generally commenced and first bales were ginned on August 24th. The boll worm and weevil have caused considerable loss in several counties.

Potatoes.—The crop in Colorado is reported very favorable even on dry land and the condition in Wyoming is also very good. Some of the early farm crop of potatoes in Nebraska has been harvested and the late commercial crop is expected to be ready to harvest in September. Both Irish and sweet potatoes are making favorable progress, an Oklahoma report says.

Sorghums.—Kansas reports say grain sorghums have made remarkable growth and are well advanced. Prospects are reported excellent for the greatest crop of record. Grain sorghums and peanuts are making favorable progress in Oklahoma.

Broom Corn.—The condition has deteriorated slightly on account of the effect of excessive rains which in some places in western Oklahoma were accompanied by wind. Harvest is practically complete. Choice broom corn at Lindsay ranged from \$240 to \$250 per ton and common averaged \$150 per ton.

Fruit.—Condition of apples and peaches on September 1 indicates a production of approximately 11,667,000 bushels of apples and 1,560,000 bushels of peaches in this district with Wyoming production not reported. The Government's September 1 forecast, based on the percent of a full crop indicated by the condition on that date follows:

	Apples		Peaches	
	Pct. full crop	Production bushels	Pct. full crop	Production bushels
Colorado	60	2,626,000	45	585,000
Kansas	24	1,079,000	10	90,000
Missouri	44	5,324,000	42	798,000
Nebraska	55	1,375,000	20	20,000
New Mexico	35	566,000	4	6,000
Oklahoma	35	697,000	5	61,000
Wyoming	54	.....	..	.....

Commercial orchard sales of apples lagged this year because of uncertainty of prices. Buyers for brokers and commission merchants were reluctant to contract for orchards in July and August as usual, with the

result that sales of orchards were late. In some instances in the Missouri Valley region, growers prepared to pick and pack their own apples and market through the co-operation of county farm bureaus.

AUGUST GRAIN MOVEMENT.

The movement of wheat to the markets in August was about 25% larger in volume than in July; but August receipts at Kansas City, Omaha and Wichita, totaling 13,464,000 bushels, were only 50% of the total received at the same markets in August, 1919. The Oklahoma City and Denver reports in car lots showed about the same percentages on wheat movements. The car shortage and a determination on the part of growers to hold wheat on the farms rather than sell at prevailing prices are said to have curtailed the receipts. The month, however, brought considerable activity in shipments to the gulf ports for export. Shipments from Kansas City equalled about 50% of the total receipts, while Omaha shipments were 83% of receipts and Wichita's shipment of 1,698,000 bushels was more than double the total of receipts for the month.

At the opening of the month No. 1 hard wheat sold at Kansas City at \$2.20@2.39. From this low point the price rose to \$2.55@2.75 on the 13th, then declined to \$2.45@2.54, the close of the month showing an advance of 4@21c on hard wheat and 17@23c advance in the price of No. 2 red. Local millers and domestic shippers were fair buyers. Exporters were very active buyers but operations were curtailed to an extent by loading difficulties at the gulf ports.

The movement of corn in August was the smallest for that month in ten years, evidencing a disposition to await the outcome of this year's crop. The top price of both No. 2 white and No. 2 yellow was \$1.65. No. 2 mixed corn sold at \$1.40 at Kansas City on August 2, rose to \$1.51 on the 5th and sold \$1.54 to \$1.60 until the 31st when the selling price dropped to \$1.45, or 5c better than at the opening of the month.

Oats in August sold at about 47c below the high price reached at the middle of June. No. 2 white oats at the close of the month was selling at 70@70½c, the same price as one month previous. Light supplies and a good demand resulted in strong prices for Kaffir, the month closing at \$2.50@2.52 per 100 pounds for No. 2 white, an advance of 27@28c in the month.

Flour and Milling.—The flour situation was quiet during the month with sales scattered and mostly in small lots, due to buyers being cautious about load-

RECEIPTS OF GRAIN

	Kansas City		Omaha		Wichita	
	1920	1919	1920	1919	1920	1919
Wheat	8,532,000	18,916,200	4,176,000	5,588,400	756,000	2,875,000
Corn	345,000	381,250	1,076,600	1,075,000	5,000	.....
Kaffir	235,400	64,900	.....	.....	32,000	.....
Oats	899,300	1,196,800	1,478,000	1,068,000	20,000	8,700
Rye	89,100	73,700	155,100	152,900	.....	.....
Barley	127,500	241,500	99,000	118,800	.....	.....

SHIPMENTS OF GRAIN

	Kansas City		Omaha		Wichita	
	1920	1919	1920	1919	1920	1919
Wheat	4,185,000	7,177,950	3,480,000	2,846,400	1,698,000	4,219,200
Corn	197,500	345,000	1,050,000	1,121,400	12,000	4,000
Kaffir	277,000	28,000	.....	.....	32,000	.....
Oats	270,000	537,000	874,000	976,000	22,000	12,000
Rye	37,400	14,300	60,500	155,500	.....	.....
Barley	97,500	42,900	43,200	142,200	.....	.....

ing up and figuring on lower prices. Production of flour at Kansas City, Omaha and 92 interior mills in Missouri, Kansas, Oklahoma and Nebraska for the four weeks ending August 8, 15, 22 and September 1, as reported by the Northwestern Miller, follow:

	1920	1919	Pct. Change
Kansas City	293,000	327,600	-10.5
Omaha	34,555	86,050	-59.8
Outside	1,115,527	1,361,944	-18.9
Total Barrels	1,443,082	1,775,594	-18.6

Kansas City prices per barrel on car lots of hard wheat flour at the close of August were: Patents, \$11.75@12.50; straights, \$11@11.50; clears, \$8@10.50; low grade, \$6.50@8. Red wheat flour was quoted at 50@75c below the prices quoted on hard wheat patents and straights and about the same as to clears and the low grades. Corn meal, sacked, was quoted at \$3.75 per 100 pounds for cream and \$3.55 per 100 pounds for standard. Flour receipts at Kansas City in August were 52,000 barrels compared with 82,225 barrels in August, 1919. Shipments of flour for the month were 219,050 barrels against 351,000 barrels in August of last year.

LIVE STOCK.

Reports from all sections of the Tenth Federal Reserve District say that live stock is in excellent condition, that animals on farms and ranges are generally free from disease, and that there is an over-abundance of feed for fall and winter and for months to come.

Plenteous rains and moderately cool temperature through August and the forepart of September combined to make the vast live stock area of this district one broad sweep of green pasture, whereas, at this time last year a large portion of this area was brown and bare, necessitating shipments of live stock to pastures and feed lots in more favored parts of the country. With such grazing as now reported, with a record crop of hay and bins soon to be overflowing with corn, the situation is reversed and there is setting in, as the records at the stock yards show, a strong movement of stockers and feeders from the markets to the farms and ranges.

There is noted some indecision on the part of farmers as to the extent of feeding to be done, and some nervousness over the future of prices is exhibited, due chiefly to losses heretofore sustained, and grain prices being relatively higher than live stock. Still, it is observed that many farmers are taking advantage of the big supply of feed and are intending to ship only as many head of cattle, sheep or hogs as are fat and fit for marketing and hold the rest on feed until they are in condition. Indicating that the late fall and winter will see a larger proportion of fat stock and a smaller proportion of half-finished stock on the markets.

Farmers and business men in many sections are co-operating to encourage farmers to feed corn to stock and drive to market rather than undertake to dump their corn on the market at prevailing prices. "Helping the farmer to put legs on his corn" is the way it is put by a leading Oklahoma banker who is doing all he can to promote such a plan in his state. It is pointed out that both feeder cattle and feeder

lambs are much lower in price this year than last and with the immense volume of feed in sight the prospect for a profitable feeding season is fully as good as in recent years, if not better, and it would be suicidal for the farmers to rush their grain to market and force down prices, instead of putting a good part of it into live stock, especially when fat stock is in demand at fairly good prices.

At the Live Stock Markets.—August brought improvement to the supply of live stock at the six markets of this district. The reports show a total of 28,911 cars received during the month, which compares with 23,258 cars received in July and 33,957 cars received in August of last year. August figures indicate increases over the July receipts of 41.5% on cattle, 64.8% on calves, 66.6% on sheep and 136.1% on horses and mules, while there was a decrease of 17.1% on hogs marketed. Comparing August receipts with those of the corresponding month in 1919, however, there were decreases of 23.9% on cattle and 26.2% on sheep, and increases of 12.1% on calves, 5.3% on hogs and 4% on horses and mules.

	Cattle	Calves	Hogs	Sheep	Horses and Mules
Kansas City	248,888	65,835	135,461	173,884	9,535
Omaha	109,242	9,046	156,966	483,272	2,712
St. Joseph	43,160	11,400	115,620	79,247	3,430
Denver	20,279	3,469	15,967	95,690	1,278
Oklahoma City	32,871	6,974	13,246	3,994	363
Wichita	22,370	.....	19,540	974	3,269
August, 1920	476,810	96,724	456,800	837,061	20,587
July, 1920	336,924	58,695	551,191	502,362	8,719
August, 1919	599,715	86,243	433,497	1,149,075	19,750
Eight mos. 1920	3,245,179	378,104	6,164,431	4,240,117	140,841
Eight mos. 1919	3,703,654	391,210	7,326,936	4,512,698	99,034

Receipts of cattle at these markets were largest of the year, except in January, but it is said the good pasture and shortage of cars combined to make the receipts much smaller than was expected. Good dry lot steers were scarce all month and prices held steady at around July prices, while the preponderance of grass cattle resulted in frequent breaks in prices. Heavy steers at the end of August sold up to \$16.00@17.25, lighter weight steers brought \$12.00@16.75 and choice cows and heifers \$10.00@15.50. August shipments of stockers and feeders to the country were heaviest of the year. At the end of the month stockers sold at 9.50@11.00 for choice and \$6.00@9.50 for common and medium, while feeders sold at \$12.00@14.00 for choice and \$8.50@11.00 for common and medium kinds.

The supply of calves on the markets was the heaviest ever yarded in one month and trade was irregular. Best veals and weighty calves coming into the baby beef class closed the month at \$13.00@14.00 and medium-common calves at \$6.00@12.50, which was slightly under the prices at the end of July but better than at the close of August a year ago.

The supply of hogs was moderately heavy, above the average for the eighth month of the year, and the market was featured by weakness of medium and common grades and uneven trading. The range of prices on bulk sales for the month was \$14.25@15.85 and the top price paid was \$16, which compared with a price range on bulk sales in August of last year of \$18.00@23.15 and \$23.20 at the top price paid. Kan-

sas City's closing top price was \$15.35 and Omaha's closing top price was \$15, which was 15c to 25c higher than the level reached at the end of the third week of August.

With heavy receipts the sheep trade in August was uneven at times, though the development of the broadest demand of the year for feeders to ship to the country figured as a feature of the month. Closing prices for the month were \$12.00@13.40 for choice lambs, \$6.50@12.00 for fair to good lambs, and \$9.00@12.75 for feeding lambs. Yearlings sold at \$8.50@9.50, wethers at \$7.50@8.50 and ewes at \$5.50@7.00. Breeding ewes on the last day of the month were sold at \$8.50@9.50.

Packers' Purchases.—Purchases of animals for slaughter by the packers in the month are here given in comparison with the total purchases at the six centers for July, 1920, and August, 1919:

	Cattle	Calves	Hogs	Sheep
August, 1920	225,838	56,784	346,439	322,177
July, 1920	186,179	38,467	423,251	252,461
August, 1919	300,814	59,438	351,462	315,438

Horses and Mules.—With heavy receipts for this time of the year there was a fairly good demand in August for the better kinds of matured horses with prices holding strong. Common stock was in slow demand and was moved at relatively low figures.

PETROLEUM.

High production of crude oil in Kansas and Oklahoma was maintained during August. The average daily production, according to unofficial reports, was estimated at an average of 398,900 barrels daily with a total estimated production of 12,365,900 barrels for the month. This is 151,850 barrels above the July production and within 18,786 barrels of the May record, which was the highest of the year to date. August production was also 32% or 3,062,800 barrels more than that of August, 1919. August production is shown in comparison with the record of a year ago in the following:

	Aug., 1920	Aug., 1919	Pet. Change
All Kansas	3,056,600	2,557,500	19.5
Oklahoma outside	6,479,000	4,473,300	44.8
Cushing and Shamrock.	1,038,500	1,131,500	-08.2
Healdton	1,791,800	1,140,800	57.1
Total Barrels	12,365,900	9,303,100	32.9

In the eight months of 1920, now passed, Kansas and Oklahoma produced approximately 91,360,793 barrels of crude oil, as against 73,492,134 barrels for the corresponding eight months in 1919, an increase of 18,234,559 barrels or 24.8%. Wyoming production is now approaching 2,000,000 barrels per month.

The intensive development work which has been prosecuted this season in the hope of increasing the output of oil to meet consumptive requirements is bringing results, as the following tabulation of the reports for August shows:

	Daily New Production		Rigs	Drillings	Total
	Completed Wells	Barrels			
Kansas	333	18,103	117	382	499
Oklahoma	982	78,995	542	1,492	2,034
Wyoming	40	2,845	145	387	532
August, 1920	1,355	99,943	804	2,261	3,065
July, 1920	1,135	81,355	899	2,424	3,323
August, 1919	1,171	79,021	744	1,751	2,495

Pipe line shortage is beginning to affect oil production. This is particularly the case in Wyoming where only the larger operating companies have supplies of tubing and casing stocks of their own for drilling operations.

August brought no important change in the price of crude oil of the various fields. Prices held steady with slight variation as to supply and demand. Gasoline continued in strong demand with the supply limited. Some improvement in the Pacific Coast supply was noted, due largely to the Mid-Continent fields taking care of a large portion of Pacific Coast territory. Acute shortage of gasoline in various sections of the country is said to be due chiefly to transportation difficulties, although refiners are making strenuous efforts to take care of the situation.

MINING.

Zinc and Lead.—The month of August showed a considerable betterment both in the shipments and price paid for both zinc and lead ores in the Missouri-Oklahoma-Kansas fields, according to the Joplin market report. Due to the efforts of all the elements desiring better shipping facilities shipments of zinc ores increased 20% over the previous month, while lead ores increased approximately 12%. The average prices of zinc ore rose \$1.00 per ton over the previous month, while lead ores increased \$14.00 per ton. Shipments of zinc blende ores averaged 10,150 tons per week, with an average price of \$47.33. Calamine ores averaged 170 tons per week, with an average price of \$35.00. Shipments of lead ores averaged 1,610 tons, with an average price of \$108.03 per ton.

At the beginning of the month there were 31,000 tons of unsold stock of blende ores in the bins of the ore producers as compared with 13,000 one year previous. The month ends with a surplus of 33,000 tons of blende ores as compared with 16,500 one year ago. It is apparent therefore, that the stocks have grown 2,000 tons in spite of the increased shipments.

Production conditions, so far as supplies are concerned, continue to be difficult and fuel from the Kansas fields is difficult to obtain, while other mining and milling supplies are getting out of stock in many of the supply houses. The situation is difficult to understand and take care of under steady operation. Labor on the other hand is more plentiful and is growing in efficiency. It is also obvious that many small concerns are beginning prospecting operations especially in those districts where lead is plentiful.

The most difficult thing facing the district at the present time appears to be the shortage of cars for shipping ore and the increased freight rates which have just gone into effect. Mr. Ross Blanchard, traffic manager for one of the large smelting concerns, reported to the meeting of the Tri-State Zinc Mine Operators Association, that the new freight rates would result in an increased cost of \$4.00 per ton for the slab zinc, a part of which cost he anticipated being absorbed by the zinc mining industry, in that it would be called upon to supply its ores at that much less price to the general market. The following table gives the new and old freight rates on zinc ores to the various smelting centers:

	Old Rates	New Rates	Inc.
To St. Louis	\$3.70	\$5.00	\$1.30
To LaSalle, Ill.	4.60	6.13	1.53
To Cleveland, Ohio, and Donora, Pa.	6.10	8.35	2.25
To Ft. Smith, Ark.	2.40	3.25	.85
To Bartlesville, Okla.	1.90	2.55	.65

Figures on the increase on rates for zinc, including both ore and manufactured product of the smelters to their markets:

From Bartlesville and Ft. Smith to St. Louis.	\$3.53	\$4.79	\$2.05
From East St. Louis to Boston	7.40	10.15	4.00

Colorado Metal Mines.—There has been very little change in the mining camps during the past month, but the recent rise in freight rates has created a feeling of discouragement and will probably result in decreased production in the near future.

This increase in freight rates works a very considerable hardship on the metal miners of Colorado. In addition to the direct effect of increased freight rates on ore to the smelters the smelters have raised their rates to protect themselves against the increased cost of materials on which they have to pay freight. They have also increased the deductions they make from the market prices of lead and copper on account of the increased cost of shipping these metals to the refineries and markets. Furthermore, there will probably be increased costs in supplies due to the added transportation charges on everything. This will probably result in confining production to high grade ore, or in closing down altogether in many cases and will probably result in loss of revenue through decreased tonnage as far as Colorado camps are concerned. The gold producers are not so much affected by these increased rates, but the failure of Congress to pass the McFadden bill has greatly discouraged them and many gold properties are closing down.

Coal.—Production of bituminous coal in the United States during the first 205 working days of this year was 347,406,000 net tons. This is 49,693,000 tons more than was produced in the same period last year, but 40,506,000 tons below the output of the first 205 working days in 1918. With the miners at work in all of the fields of this district and no strikes now threatening, operators and dealers are more confident of their ability to supply the demand for coal in the fall and winter months. Failure to obtain cars for proper distribution, it is asserted, would be the only cause of a coal shortage anywhere. As to prices, however, the reports are less encouraging. The increased cost of production from the \$1.50 a day wage increase to day men at the mines and the increased freight rates, are the two big factors which are pointed to as barriers to lower coal prices.

Salt.—In the salt business the demand continues and owing to increased freight rates now in effect, the demand for salt was exceptionally good in August. This in spite of the fact that manufacturers have been compelled to advance their product on account of excessive costs of coal, cooperage and such supplies. Considering shipments from all plants, they are not up to capacity on account of car shortage and lack of necessary supplies. At the same time, however, more cars have been offered for salt shipments

lately than was the case six weeks ago. There seems to be a sufficient amount of labor available. The fuel shortage is causing a great deal of concern in the salt industry.

BUILDING.

Reports from sixteen cities show 331 more permits for buildings were issued in August than in July of this year, although the estimated cost of buildings permitted was \$352,860 less than the total for the previous month. Compared with the record of the same month last year the August record shows an increase of 152 buildings permitted and a decrease of \$2,341,667, or 37.7%, in the estimated cost. The reports for August, this year and last, follow:

	Permits		Estimated Cost		Pct. Change
	1920	1919	1920	1919	
Kansas City, Mo.	314	395	\$ 919,890	\$1,122,255	—18.0
Lincoln, Neb.	54	53	646,425	461,700	39.9
Tulsa, Okla.	129	162	491,700	871,885	—43.6
Okla. City, Okla.	146	132	446,300	692,835	—35.6
Denver, Colo.	267	278	340,550	690,900	—50.9
Wichita, Kans.	468	112	259,077	316,705	—18.2
Kansas City, Kans.	38	23	205,800	554,695	—62.8
Omaha, Neb.	83	180	195,150	783,110	—75.1
Okmulgee, Okla.	36	62	92,350	440,400	—79.0
Colo. Spgs., Colo.	36	24	79,600	11,781	575.7
Cheyenne, Wyo.	29	23	60,325	36,795	63.9
St. Joseph, Mo.	54	49	45,350	58,910	—23.0
Muskogee, Okla.	19	12	39,750	20,283	96.0
Pueblo, Colo.	44	53	24,883	84,700	—70.6
Topeka, Kans.	36	41	16,580	52,443	—68.4
Leavenworth, Ks.	3	5	3,000	9,000	—66.7
Total	1,756	1,604	\$3,866,730	\$6,208,397	—37.7

Lumber and Materials.—There was a great rush on the part of the saw mills to ship all orders possible on or before August 26th, the date at which the advance in freight rates would become effective. So far as reported, this advance in freight rates went into effect on that date on all inter-state traffic, which would cover all of the movement practically of lumber into this territory. Retailers also were anxious to avoid payment of the freight advances. As a result, retailers were pretty well stocked up by the end of the month, or at least as far as the car situation would permit, and there were indications of a temporary let-up in buying by retailers.

While the car shortage does not seem to be so acute in the movement of lumber, in other lines there is serious curtailment of shipment because of that fact. This is particularly true in reference to cement. From information gathered it seems the cement mills have practically good stock on hand and the output has been considerably increased. But there seems to be no question but that their inability to get cars is the one obstacle in the way of their movement of cement. This means, of course, the stoppage in many cases of buildings already in course of erection and acts as a deterrent in the starting of new projects. It also would indicate that one of the results will be the movement of a less amount of lumber as well as cement by reason of the inability to secure the latter.

Indications would be that building on the farms and in smaller communities would proceed on a fuller volume than perhaps in the larger centers, according to the lumber dealer's view.

There have been no sensational or material changes in prices in the past few weeks.

Statement of Condition
FEDERAL RESERVE BANK OF KANSAS CITY
Including Branches

At Close of Business
Sept. 10, 1920 Sept. 17, 1920

At Close of Business
Sept. 10, 1920 Sept. 17, 1920

RESOURCES

Gold Coin and Certificates....\$	592,005.00	\$	604,605.00
Gold Settlement Fund F. R. Board	21,927,545.69		28,184,259.89
Gold with F. R. Agent.....	39,004,340.00		39,006,390.00
Gold Redemption Fund.....	4,335,692.20		4,992,642.20
Gold with Foreign Agents....	5,349,941.28		5,349,941.28
Legal Tender Notes, Silver, etc.	1,484,275.70		1,871,879.85

Bills Discounted:

Secured by Govt. War obligations	41,039,121.85		37,240,062.52
All other	68,055,518.00		77,036,566.18
Bills Bought in Open Market.	3,701,109.44		3,874,188.57
U. S. Govt. Bonds.....	8,867,900.00		8,867,900.00
U. S. Cert. of Indebtedness...	12,825,500.00		12,867,500.00
Bank Premises	836,184.52		836,184.52
Uncollected Items and other Deductions from gross deposits	74,234,082.04		75,964,707.12
5% Redemption Fund against F. R. Bank Notes.....	915,590.00		915,590.00
All Other Resources.....	250,352.22		281,268.15
Total Resources.....	\$283,419,157.94		\$297,893,685.28

LIABILITIES

Capital Paid In.....\$	4,426,300.00	\$	4,428,450.00
Surplus	8,395,257.87		8,395,257.87
Government Deposits	2,534,689.44		16,940,475.14
Due to Members, Res. Act....	80,497,390.27		81,048,941.66
Other Deposits	1,155,993.25		1,107,442.86
Deferred Availability Items...	61,721,414.36		60,835,322.32
F. R. Notes in Actual Circulation	106,508,475.00		106,710,725.00
F. R. Bank Notes in Actual Circulation	15,779,100.00		15,780,500.00
All Other Liabilities.....	2,400,537.75		2,646,570.43
Total Liabilities.....	\$283,419,157.94		\$297,893,685.28

OTHER TOTALS

Total Gold Reserves.....\$	71,209,524.17	\$	78,137,838.37
Total Earning Assets.....	134,489,149.29		139,886,217.27
Total Gross Deposits.....	145,909,487.32		159,932,181.98
Contingent Liability as Endorser on Bills Rediscounted with other F. R. Banks	22,841,692.04		26,729,377.04
Ratio of Total Res. to Net Deposit and F. R. Notes Liabilities Combined	40.7%		41.9%
Ratio of Gold Res. to F. R. Reserve Notes in Actual Circulation after setting aside 35% against net deposit liabilities	44.6%		47.4%

CLEARINGS

Total Clearings for Week....	\$224,671,639.74	\$309,618,947.16
Total number of items handled	1,035,275	1,262,077