

THE MONTHLY REVIEW

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. 6 No. 1

Kansas City, Mo., January 20, 1921

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FOR PUBLICATION

JAN. 27

EVIDENCES of a trend in the direction of a speedier and more satisfactory liquidation of bank loans brought some slight relaxation to the financial strain at the turn of the year. Though the improvement to the date of this review has not been as great as desired and demand for money and credit continues strong and rates have shown no material change, there appears to be a better tone to the general financial, commercial and industrial situation in the Kansas City Federal Reserve District. The reports covering the first half of January reflect some increase in trade and manufacturing activity at the principal centers as compared with the depressed conditions prevailing through the last week of 1920. But in only a few lines has the percent of activity reached the high stages maintained in the corresponding half month one year ago. While undoubtedly there is improvement, and a more cheerful view of the future is in evidence, it is too early in the year to gauge the progress with any degree of accuracy.

FINANCIAL.

Combined statements as of December 31 of eighty-three selected member banks widely scattered over the Kansas City Federal Reserve District, showed a total of loans aggregating \$522,778,000. This was the smallest amount of loans reported by these eighty-three banks during the year 1920, being \$66,226,000 below the year's high peak of loans at the first week of April, and \$49,395,000 less than the aggregate of their loans reported at the beginning of the year 1920. An analysis of the weekly reports shows a gradual decrease of these member banks' loans since the high point was reached on April 2. The combined statements of December 31 also showed the smallest amount of demand deposits on which their reserve is computed, the total being \$393,621,000, which is \$87,398,000 less than the peak of demand deposits on March 5. Time deposits, however, aggregated \$100,462,000 on December 31, a gradual increase being recorded throughout the year from a total of \$87,678,000 reported January 2, 1920.

The statement of the Federal Reserve Bank of Kansas City as of January 14, 1921, appearing in this review, shows a total of discounts including open market purchases of \$110,116,998, which is \$5,220,390 less than the amount shown in the weekly statement as of January 7, 1921. The report also shows a decrease of \$9,405,578 in bills rediscounted with other Federal

THE STATISTICAL STORY OF 1920 IN THE KANSAS CITY FEDERAL RESERVE DISTRICT

	1920	1919
Agricultural Production		
Wheat, Bus.	287,219,875	300,994,000
Corn, Bus.	546,903,905	372,870,000
Oats, Bus.	234,501,478	182,677,000
Barley, Bus.	38,896,868	17,029,000
Rye, Bus.	7,767,512	9,323,000
Potatoes, Bus.	31,817,273	38,410,000
Grain Sorghums, Bus.	69,625,169	42,843,000
Apples, Bus.	5,170,500	10,257,000
Peaches, Bus.	1,103,000	2,244,500
Pears, Bus.	554,600	623,000
Sugar Beets, Tons.	3,242,325	1,878,000
Tame Hay, Tons.	15,349,815	10,639,000
Wild Hay, Tons.	4,918,250	5,483,000
Flour Manufactured		
Total number barrels.	17,736,669	18,796,613
Grain Marketed, Kansas City and Omaha		
Wheat, Bus.	95,660,650	95,217,250
Corn, Bus.	31,052,750	38,030,250
Oats, Bus.	21,498,400	27,158,500
Rye, Bus.	2,888,000	2,099,900
Barley, Bus.	3,642,000	4,787,700
Live Stock Marketed (6 markets)		
Cattle, number	5,348,825	6,821,451
Calves, number	653,423	716,917
Hogs, number	8,153,219	9,777,671
Sheep, number	7,553,473	8,906,561
Horses and Mules, number	167,784	200,221
Meat Packing		
Cattle, number	2,824,859	3,438,170
Calves, number	466,877	536,521
Hogs, number	6,736,745	8,238,601
Sheep, number	3,769,170	3,652,238
Oil and Minerals Produced		
Petroleum, Bbls.	166,638,600	129,638,600
Coal, Tons	37,856,000	27,981,500
Lead Ores, Tons	93,562	73,020
Zinc Ores, Tons	551,547	435,392
Calamine Ores, Tons	9,786	12,445
Gold, Fine Ounces.	370,101	477,361
Silver, Fine Ounces.	5,200,000	5,639,516
Building (16 cities)		
Permits Issued	18,952	18,860
Estimated Cost \$	67,411,752	\$ 65,122,245
Financial		
Bank Clearings (27 cities).	\$21,376,598,430	\$19,605,924,752
Transit Items Handled by Fed. Res. Bank, Number.	53,881,602	28,372,834
Amount.	\$13,011,582,140	\$ 9,856,767,303

Reserve Banks. This was accomplished with some improvement in the reserve position. The ratio of total reserves to net deposits and Federal Reserve notes liabilities combined was 41.7% on January 14, while it was 41.5% on January 7. One year previous, January 16, 1920, the ratio was 41.7%.

BANK CLEARINGS.

The clearing house reports from seven principal cities in this district indicate an increase in volume week by week since Christmas time. The total clearings for the seven cities were \$256,483,000 for the week ending December 30, a total of \$290,081,000 for the week ending January 6 and \$322,071,000 for the week ending January 13. Compared with the corresponding period last year there is a decrease of 25.5% for January 13.

Bank clearings for December were \$1,480,694,431 or 19% below the corresponding month a year ago for twenty-seven cities reporting. The year 1920 ended, however, with bank clearings of the twenty-seven cities reporting totaling \$21,376,598,430, which is \$1,770,673,678 more than the total clearings for 1919, an increase for 1920 of 9%.

Debits by banks to individual accounts in reserve cities of this District, which are believed to more clearly reflect the trend of business, amounted to \$313,026,000 for the week of January 5, 1921, as compared with \$320,735,000 for the week of January 7, 1920. The decrease in the total debits for the first week of this year is 2.4%, but it must be considered that values of goods and products involved in the bank transactions here recorded as a whole were considerably below the values one year ago.

**DEBITS BY BANKS TO INDIVIDUAL ACCOUNTS
BY CITIES IN THE KANSAS CITY FEDERAL
RESERVE DISTRICT**

	Jan. 7, 1920	Jan. 5, 1921
COLORADO		
Denver	\$ 52,063,000	\$ 52,639,000
Colorado Springs	3,739,000	3,773,000
Pueblo	7,026,000	6,735,000
KANSAS		
Atchison	684,000	1,208,000
Kansas City	3,756,000	7,112,000
Topeka	786,000	445,000
Wichita	17,409,000	12,751,000
MISSOURI		
Joplin	3,904,000	2,477,000
Kansas City	79,926,000	85,833,000
St. Joseph	22,541,000	19,391,000
NEBRASKA		
Omaha	58,523,000	44,635,000
OKLAHOMA		
Bartlesville	3,230,000	4,102,000
Muskogee	8,567,000	8,181,000
Oklahoma City	20,951,000	25,258,000
Tulsa	28,447,000	31,509,000
WYOMING		
Cheyenne	2,579,000	2,997,000
Totals	\$320,735,000	\$313,026,000

**CONDITION OF 83 MEMBER BANKS AS OF FIRST AND
LAST WEEKS OF 1920**

	Jan. 2, 1920	Dec. 31, 1920
Total U. S. Securities	\$ 69,500,000	\$ 51,662,000
Loans secured by U. S. War obligations (Liberty bonds, Victory notes, Cert. of Indebtedness)	20,800,000	22,027,000
Loans secured by stocks and bonds other than U. S. Securities	75,216,000	80,008,000
All other loans and investments	476,157,000	420,743,000
Reserve Balance with F. R. Bank	43,123,000	45,570,000
Net demand deposits on which reserve is computed	462,219,000	393,621,000
Time deposits	87,673,000	100,462,000

MERCANTILE.

While sales for December were the lightest of the year, wholesale dry goods merchants report that the total sales for the entire year show a material increase over the previous year, 1919. In fact one of the largest houses in the district mentions 1920 as the "banner year" as far as sales are concerned, and a little over 40% increase above sales for 1919. The wholesalers report a fair percent of retailers are meeting present conditions by selling their merchandise at prices based on the replacement cost and such merchants have very largely gotten out from under their high priced goods and are doing business with a margin of profit. Jobbers and retailers generally have fairly large stocks of goods with a possible exception of a few who began meeting conditions early in the season.

Reported sales at wholesale in December, 1920, of millinery, drugs, groceries, furniture and hardware show the following percentages of decrease as compared with sales in November, 1920, and in December, 1919.

	December, 1920 compared with November, 1920	December, 1920 compared with December, 1919
Millinery	—18.5%	—16.3%
Groceries	—15.1%	—17.3%
Drugs	— 6.1%	— 8.2%
Furniture	—32.5%	—55.9%
Hardware	—20.8%	—38.9%

Wholesale merchants report a general apathy among retailers toward purchases of stocks. Retailers' stocks are said to be very low for this time of the year, but cut prices apparently do not interest them beyond buying as they need to serve their trade.

Retailers' reports as a rule show that the year is starting off with the volume of sales a little better than in December. Dealers in wearing apparel and some lines of dry goods have made noticeable reductions in prices, many items being priced as much as 50% below the high levels of last spring, and a large volume of merchandise is being sold. With the purchasing power of the people reduced to some extent, however, goods generally are moving slowly under the greatly reduced prices.

The department store reports for the month of December make the following showing of averages for stores reporting:

Percentage of net sales for December, 1920, compared with net sales during the same month in 1919	Dec. 4.98%
Percentage of net sales from July, 1920, to December 31, 1920, compared with net sales for the same period in 1919	Inc. 0.7%
Percentage of stocks at close of December, 1920, compared with stocks at close of the same month in 1919	Inc. 9.42%
Percentage of stocks at close of December, 1920, compared with stocks at close of November, 1920	Dec. 23.78%
Percentage of average stocks (selling price) at close of each month this season, commencing with July 1, 1920, to average monthly net sales (selling price) during the same period	465.5%
Percentage of outstanding orders (cost) at close of December, 1920, to total purchases (cost) during the calendar year	3.0%

AGRICULTURE.

The ground was bare of snow over a large wheat growing area during the greater part of December and in the forepart of January, but with mild and comparatively uniform temperatures prevailing very little damage is reported from alternate freezing and thawing. Soil moisture was insufficient in many sections, particularly on the western Great Plains, and in some Rocky Mountain sections winter grains were reported suffering from lack of moisture. Snow fell on January 12-13 over a very large portion of the Missouri Valley and spread over a considerable portion of the Great Plains. Snow covered the lower elevations in Colorado and New Mexico and in western Wyoming.

Wheat generally is reported to have a fine green color and excellent condition, furnishing much good pasturage. The prevalence of chinch bugs last year in some sections of the District, particularly in Missouri, has led to organized movements to exterminate the bugs during the winter months by burning the waste along fence rows and about the farms which harbor the bugs through winter. Bankers and business men are lending aid and encouragement to the farmers in many communities to stamp out these pests and prevent crop and financial losses in the coming year.

On the whole, the winter thus far is reported as generally favorable for outdoor farm work and in some parts of the district good progress has been made in plowing for spring crops. Some corn is still in the fields in Nebraska, according to the report from that state. The Oklahoma report for the week ending January 4, said 20% or more of the cotton crop, all very low grade, was still in the fields.

Grain Movements.—An improved demand for wheat and more liberal supplies were outstanding features of the opening week of the new year at the grain centers of this district. Receipts of wheat in the first fifteen days were around 20% larger than for the corresponding period one year ago. Receipts of corn also exceeded last year's receipts for the same period by about 30%, but oats marketed was 20% less in volume.

Flour Milling.—The beginning of the year brought a marked improvement in the milling situation. Although the volume of sales of flour was hardly up to expectations they were larger than in several preceding weeks. Bakers were the more active buyers while jobbers were slow in taking contracts.

The Kansas City mills in the first week of the year were operated at 67% of capacity, 58% through December and 81% in the first week of 1920. Interior

RECEIPTS AND SHIPMENTS OF GRAIN (BUSHELS) AT AND FROM KANSAS CITY AND OMAHA FOR DECEMBER, 1920, AND 1919

	Receipts		Shipments	
	Kansas City	Omaha	Kansas City	Omaha
	Dec., 1920	Dec., 1919	Dec., 1920	Dec., 1919
Wheat	6,667,650	7,653,150	1,773,600	1,399,200
Corn	931,250	1,435,000	1,016,400	2,345,000
Oats	275,400	455,600	666,000	578,000
Rye	82,500	53,900	170,500	129,800
Barley	175,500	321,000	140,400	91,800
Kaffir	654,500	233,200	.....	.....
Wheat	6,033,150	5,575,500	1,846,800	2,196,000
Corn	383,750	573,750	421,400	1,896,400
Oats	268,500	516,000	486,000	592,000
Rye	135,300	34,100	239,800	80,300
Barley	156,000	94,900	189,000	109,800
Kaffir	238,000	41,000	.....	.....

mills increased their operations over the last week of December but were still operating below 50% of capacity.

The year's production at Kansas City, Omaha and 88 interior mills in the Southwestern territory was 17,736,659 barrels for mills reporting, which compares with 18,796,613 barrels reported in 1919.

Shipments of flour from Kansas City in December were 208,650 barrels. For the same month in 1919 they were 361,075. Receipts for the month were 39,000 barrels and for the month a year ago 90,025 barrels.

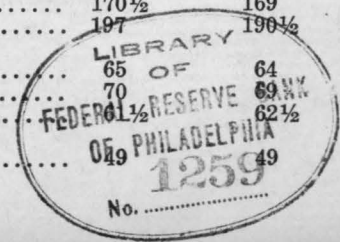
LIVE STOCK.

The condition of live stock in this district is generally good, due to the mild winter and an abundance of feed. With the exception of a few cases of hog cholera in spots very little disease is reported. Considerable snow in some sections of Wyoming has necessitated quite heavy feeding. In New Mexico, while the ranges are good, some feeding is necessary to carry the stock through the winter.

The movement of live stock to the six markets of this district continues comparatively light as to cattle and calves but in fairly good supply as to hogs. The receipts of cattle for December were 49.3% less than for the previous month of November, and 49% less than in December, 1919. Receipts of calves for the month fell off in about the same proportion. There was an increase of .3% in the receipts of hogs over those of November, but there was a loss of 35.4% as compared with receipts for the last month of 1919. Fewer sheep by 45% came to the markets in December than were marketed in the corresponding month of the previous year. There was a big slump in receipts of horses and mules in December as compared

AVERAGE CASH SALES OF WHEAT, CORN AND OATS AT KANSAS CITY ON DATES MENTIONED IN CENTS PER BUSHEL

	Dec. 17	Dec. 24	Dec. 31	Jan. 7	Jan. 18
Wheat					
No. 2 Dark Hard Winter.....	175	170½	176	177½	177
No. 1 Hard Winter.....	170½	169	173½	175½	175
No. 1 Red.....	197	190½	191	193½	193
Corn					
No. 3 White.....	65	64	65½	62	58½
No. 3 Yellow.....	70	69½	68	63	59
No. 3 Mixed.....	70	62½	63½	62	58
Oats					
No. 2 White.....	50	48½	44½



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with the previous month and also the same month in 1919. The total number of cars of live stock received in December was 21,704 which compares with 37,694 cars in December, 1919. The year's record of receipts of live stock in the six markets shows reductions from the previous year's record of 21.5% in cattle, 8.8% in calves, 16.6% in hogs, 15.2% in sheep, 16.2% in horses and mules and 17.1% in the number of cars required to bring the animals to market.

The following shows the receipts of live stock at the six markets for December, with totals for November and December, 1919:

	Dec., 1920	Nov., 1920	Dec., 1919
Cattle	304,973	602,398	598,277
Calves	29,748	71,901	46,061
Hogs	603,060	601,426	934,253
Sheep	412,374	749,633	753,590
Horses and Mules..	1,830	3,172	18,418
Cars	21,704	33,348	37,694

The last two weeks of 1920 and the first two weeks of 1921 found conditions in the live stock markets irregular. A narrowing of the range of cattle prices was noted in the heavier call for the plain and medium offerings and the shorter call for the choice and prime lots. Country call for thin cattle was fairly good and stockers and feeders were generally strong.

Meat packing operations in December and for the year, as measured by purchases of animals for slaughter, at the six markets of this district were:

	Dec., 1920	Dec., 1919	Year 1920	Year 1919
Cattle	285,147	443,598	2,824,859	3,438,170
Calves	44,093	60,817	466,877	536,521
Hogs	781,293	1,124,016	6,736,745	8,238,601
Sheep	475,877	553,477	3,769,170	3,652,238

PETROLEUM.

Reductions of 30% to 50% in purchases of crude oil by refiners within the past thirty days, together with the seasonal changes, have resulted in a very material decrease in production in the fields of Kansas and Oklahoma. Preliminary estimates of the aver-

age number of barrels produced daily in the last two weeks of December and the first two weeks of January, which follow, indicate the extent of reduced output in the two principal oil states of this district:

Week Ending	Kansas Bbls. Daily	Oklahoma Bbls. Daily	The Two States Bbls. Daily
December 24	98,000	288,000	386,000
December 31	90,000	260,000	350,000
January 7	85,000	249,000	334,000
January 14	85,000	262,000	347,000

The decreased production shown in the foregoing indicates that the total output from the wells of Kansas and Oklahoma in January will, for the first time in more than a year, fall below 11,000,000 barrels of 42 gallons each. The output of wells in Wyoming and Colorado is also slightly reduced from the steady run of the last six months, although Wyoming made a big spurt in new production in December through its development operations.

Immediate cause of the reduction in purchases by refiners was that pipeline facilities to the available markets were inadequate to handle the amount of oil offered. The result is a considerable local congestion, to which is added the inconvenience of insufficient steel storage. The slowing down of refining activities, while due to the general depressed trade in the petroleum products, is regarded as merely temporary since, as a general proposition, consumption in the United States still exceeds domestic production. Some of the refiners and large purchasers of crude oil are increasing their capacity for transportation of oil to market centers.

In development operations fewer wells were completed in December in Oklahoma and Kansas, while Wyoming showed an increase in the number of new wells brought in, as compared with November. In point of new production, Oklahoma's December total was 14,107 barrels daily below the November record, but this was offset by a gain of 6,175 barrels daily

RECEIPTS OF LIVE STOCK AT SIX MARKETS OF THE KANSAS CITY FEDERAL RESERVE DISTRICT IN 1920

	Cattle	Calves	Hogs	Sheep	Horses & Mules	Cars
Kansas City.....	2,108,092	390,074	2,466,419	1,687,017	71,797	124,764
Omaha.....	1,524,121	78,678	2,708,482	2,890,748	18,751	110,497
St. Joseph	552,969	89,930	1,913,755	842,639	29,768	51,861
Denver.....	570,360	46,205	341,240	2,078,688	17,591	33,017
Oklahoma City.....	351,170	48,536	340,862	14,812	5,847	15,863
Wichita.....	242,113	.....	382,461	39,569	24,030	12,145
Total, 1920.....	5,348,825	653,423	8,153,219	7,553,473	167,784	348,147
Total, 1919.....	6,821,451	716,917	9,777,671	8,906,561	200,221	420,016

RANGE OF PRICES OF CERTAIN GRADES OF LIVE STOCK AT KANSAS CITY AT DATES MENTIONED

	Beef Steers	Butcher Cattle	Feeder Steers	Stocker Cattle	Hogs
	Good-Choice	Com.-Choice	Com.-Choice	Com.-Choice	Bulk Sales
December 20.....	\$9.50@13.25	\$4.00@ 9.80	\$6.50@9.90	\$3.75@8.25	\$8.60@ 8.85
December 27.....	9.75@13.25	4.25@10.25	6.50@9.90	3.75@8.25	9.65@10.00
January 4.....	9.35@12.50	4.15@ 9.65	6.50@9.50	3.75@8.00	9.00@ 9.25
January 11.....	9.15@11.75	4.50@ 9.25	6.85@9.40	4.00@8.15	8.60@ 9.00
January 18.....	8.00@11.00	4.00@ 8.00	6.00@9.50	4.00@8.25	9.60@ 9.80

new production in Kansas and 8,855 barrels daily new production in Wyoming.

The number of rigs and wells drilling at the end of December showed a gain in one month of 70 in Kansas and Wyoming and a loss of 4 in Oklahoma, indicating a larger degree of activity in field development than is usual for the winter season. The following shows the development operations in December compared with the November record:

	Wells Completed	Barrels Daily New Prod'n.	Rigs and Wells Drilling
Oklahoma	732	59,080	1,947
Kansas	280	18,745	480
Wyoming	50	11,270	577
December total . . .	1,062	89,095	3,004
November total . . .	1,185	88,172	2,938
Difference	-123	923	66

Average daily production of crude oil in the four producing states of this district in 1920 was 455,296 barrels, compared with an average daily production of 355,136 barrels in 1919. The increase for 1920 is 100,160 barrels daily, or 28.2%. It brings the total production of crude oil for the year to approximately 166,638,600 barrels, which is 37,000,000 barrels more than 1919 output and 22,000,000 barrels more than was produced in 1918.

COAL.

Under improved operating conditions, a minimum of interruptions on account of strikes and better transportation facilities, production of soft coal at the mines of this district has been fairly active this season in spite of general business and industrial inactivity and reduced purchases for domestic uses occasioned by the mild winter weather late in December and early in January. The reports show there was the usual slowing down of mining activity during the holidays, but operations through the first two weeks of January were but slightly, if any, below the record for the first three weeks of December, which showed the average percent of full time output as follows: Colorado 84.9%, Kansas 82.4%, Missouri 84.2%, Oklahoma 80.9%, with 83.1% as the average of full time operation in the district for the three weeks period. The comparatively small loss of operation in December was attributed to the causes which follow:

	Colo.	Kans.	Mo.	Okla.	Av'ge
Transportation Disability	9.4%	3.2%	2.4%	8.7%	5.9%
Labor Shortage . . . . .	.2%	4.0%	4.8%	3.2%	3.0%
Strikes . . . . .	. . .	.2%	1.6%	.2%	1.0%
Mine Disability	1.5%	10.1%	4.4%	.8%	4.2%
No Market	3.4%	.7%	1.9%	1.4%	1.8%

In point of soft coal production, 1920 was one of the best years of history for this part of the United States. The total output for the Tenth Federal Reserve District was approximately 37,856,000 net tons in 1920, which compares with 27,981,500 tons produced in 1919 according to close estimates which are based on railroad shipments reported. The increased tonnage over 1919 amounted to 35%. The production for the year represented 14.9% of the entire production in the country.

Bituminous coal produced in the United States in 1920 was approximately 556,516,000 net tons and

458,063,000 tons in 1919, with 579,386,000 tons produced in 1918. The 1920 figures would indicate that coal production is a little above normal demands of the country. In 1919 there was an approximate shortage of coal and consumers in that year used up the surplus of 30,000,000 tons produced in 1918.

The beginning of the year found the coal markets of the country somewhat stagnant and dealers demands considerably off, due to the slackened consumption in the mild weather. Prices are a shade easier than one month ago, but up to the present time there have been no material changes in wages. Operators throughout the southwestern district which includes Missouri, Kansas and Oklahoma are generally reporting around 100% efficiency in car service.

ZINC AND LEAD.

Previous yearly records for ore production in the district embracing Missouri, Kansas and Oklahoma were shattered in 1920, according to the reports from the Joplin metal market. The following is a summary of production of ores and their value for 1920 with the totals for 1919 for comparison:

	Tons		Value	
	1920	1919	1920	1919
Zinc Blende	551,547	435,392	\$25,413,826	\$18,997,521
Calamine	9,786	12,445	347,559	352,200
Lead	93,562	73,070	8,588,620	4,922,961
Total	654,895	520,907	\$34,350,005	\$24,272,682

The increase in production indicated in the foregoing is phenomenal in the face of economic conditions which have prevailed during the year. The source of this production was principally the Oklahoma field extending from Commerce, Oklahoma, and northeast to the Kansas state line. The other big source of production was the State of Kansas which produced a considerable tonnage along the extension of the Oklahoma field into Kansas and also the extension of the Waco district from the Missouri side into Kansas. Missouri stood third in the list of production, the source being the new camp at Waco, small scattered production from the older camps of Oronogo, Webb City, Prosperity, Joplin, Duenweg and Granby, and a few isolated mines stretching as far east as Aurora and Springfield. The calamine concentrates came principally from the old Granby camp with a few small lots reported from Aurora and Duenweg. Oklahoma also led in the production of lead concentrates, not only on account of the larger number of mines operating but due to the fact that these mines carry a heavier lead content as a by-product than do the mines of Missouri and Kansas.

The large production of blende ores averaged only \$46.07 per ton for the year, and while this shows an increase of \$2.54 over the average for the previous year, this increase came through the heavy shipments during the first four months when prices had an upward trend and ranged from \$48 to \$56 per ton. The remainder of the year shows a considerable decline, indicating that the production of the last eight months was made at cost and below cost. The last two months of the year showed the average price to be \$36.48 for November and \$31.51 for December, the

latter being the lowest price that has prevailed in the zinc ore market for many years. On the other hand calamine ores were extremely scarce, showing a decrease of 2,659 tons from the previous year, which at that time was far from being equal to the demand. The average price for calamine was only \$10.56 below that paid for blende when the parity is \$20. The average price paid was \$35.51 per ton compared with \$28.30 per ton for the previous year, or an increase of \$7.21 per ton. The highest market for lead concentrate was reached during 1920, ores going as high as \$115 per ton in August and as high as \$110 in April to August. For several months the average held from \$90 to \$110, with the average for the year at \$91.79 or \$24.42 higher than that of the previous year's average. These high prices had much to do with the large production of both lead and zinc concentrates, the lead ore being a by-product of the zinc ore mines and being such a high price naturally led to the largest operations being maintained at that class of properties. This served as a factor in keeping many mines from standing idle. With the decline of lead from the high peak in August the effect was noted as the mines began to close down largely. By the end of the year the price of lead concentrates had dropped to as low as \$45, the lowest price prevailing for several years. However, the price was maintained during a major portion of the year and it was only in the last two months when a severe drop took place.

Another cause for the large production in the face of declining prices in ores was the short time so many of the lease holds remained in force. A large number of leases expire in 1922 and 1923. Singularly enough, there were many interferences with production. These came largely from the volume of shut-downs during the year. The shortage of cars for shipment and railroad switchmen's strike and coal strikes have interfered with the metal mining industry. There was an acute shortage of labor during the year especially with the class of labor employed as shovelers.

The new freight rates, which were announced in August, affected the movement of supplies into the district as well as the distribution of products of metal mines. The new increased freight rates also affected every item on the cost sheet.

GOLD AND SILVER.

Continued decrease in the market prices of lead and zinc have caused several of the larger metal producers in Colorado, during the past two months, to shut down or materially restrict their activities. The Cripple Creek gold mines, however, have without exception passed their dividends of late. The only advantageous feature in the shutdowns is that they have made it possible for the companies which are operating to obtain, for the first time in several years, practically all the men they want.

It is too early to obtain the official Government reports on the output of the metal mines of Colorado for the year 1920, but unofficial estimates would indicate a very large reduction in the output of minerals as compared with 1919. The unofficial estimates at hand place the year's output of gold at approximately 370,101 fine ounces valued at \$7,659,000, which compared with 477,361 fine ounces of gold valued at \$9,-

876,927 produced in 1919, this year's decrease being 22.4%. The silver output in 1920 in Colorado was estimated, also unofficially, at 5,200,000 fine ounces, which is 439,516 ounces less than the 1919 output. At the average price for the year of \$1.09 per ounce the total value of silver produced in 1920 is \$5,668,000, or \$591,863 less than the value of silver produced in 1919. The value of all metals, rare minerals, chemicals and other mining products from Colorado in 1920 is estimated at \$29,833,499, compared with \$31,669,080 as the value for 1919.

SALT.

Production of salt, according to the experiences of Kansas operators, shows a net decline in tonnage of about 15% for the year 1920 as compared with 1919. At the same time the net receipts for 1920 shipments show an increase of about 9% over the receipts from the shipments in the preceding year. This was due to advances on materials used in preparation of salt. Although there was a slump in the last three months of the year, operators see a slight picking up of demand with the opening of the new season.

BUILDING.

The showing made by the December reports on building activity in cities of this district was somewhat better than was anticipated, in view of the slump which started at midsummer and continued through the remainder of the year. A total of 751 permits were issued in seventeen cities in that month for buildings estimated to cost \$3,004,814, which is 35.8% under the estimated cost of buildings permitted in the last month of 1919. For the year the total of permits was 18,952, and the estimated value \$67,411,752. This compares with the 1919 record of 18,860 permits and \$65,122,245 estimated value, this year's increase being 3.5%.

While the lumber and material trade is experiencing the usual winter dullness, it is noted that there was more buying in the second week in January than in any like period for four months. Prices, after reaching lower levels, have remained about stationary during the last thirty days. In a number of cities "Build It Now" movements are being launched in efforts to overcome the housing shortage.

BUSINESS FAILURES.

Dun's reported for December a total of 86 failures in the Kansas City Federal Reserve District, with liabilities totaling \$4,748,658. This was the largest month's failures in the last year. It compares with 23 failures and \$218,959 of liabilities in the month of December, 1919. The record of failures in the Kansas City Federal Reserve District for the years 1920 and 1919 follows:

	Number Failures	Liabilities
1920	475	\$10,190,370
1919	261	3,987,855

Failures in the United States in 1920 numbered 8,595 and the liabilities were \$416,900,000, with \$269,500,000 as the actual assets. In the number of failures the 1920 record was the second lowest since 1882, showing forty-four one-hundredths of 1 per cent of the number engaged in business having failed. In point of liabilities, however, 1920 exceeded all previous records.

PRODUCTION OF CRUDE PETROLEUM IN 1920. BARRELS OF 42 GALLONS.
(U. S. Geological Survey Reports 11 Months, December Estimated)

	Oklahoma	Kansas	Wyoming	Colorado	Total District
January.....	7,958,000	3,338,000	1,171,000	9,600	12,476,600
February.....	7,933,000	3,545,000	1,167,000	8,000	12,653,000
March.....	8,689,000	4,068,000	1,316,000	9,000	14,082,000
April.....	8,368,000	3,939,000	1,303,000	8,000	13,618,000
May.....	8,805,000	3,804,000	1,368,000	11,000	13,988,000
June.....	9,049,000	3,517,000	1,625,000	10,000	14,201,000
July.....	9,328,000	3,621,000	1,586,000	9,000	14,544,000
August.....	9,373,000	3,716,000	1,524,000	10,000	14,623,000
September.....	9,093,000	3,615,000	1,573,000	9,000	14,290,000
October.....	9,437,000	3,601,000	1,676,000	9,000	14,723,000
November.....	9,031,000	3,578,000	1,340,000	8,000	13,957,000
December (est.).....	9,005,500	3,084,500	1,385,000	8,000	13,483,000
Total, 1920	106,069,500	43,426,500	17,034,000	108,600	166,638,600

BUILDING PERMITS ISSUED IN DECEMBER AND THE YEAR IN SIXTEEN CITIES

	December 1920		1919		Pct. Change	1920		Year 1919		Pct. Change
	No. Permits	Value	No. Permits	Value		No. Permits	Value	No. Permits	Value	
Kansas City, Mo.....	173	\$ 689,150	172	\$1,084,250	-36.4	3,688	\$13,760,295	4,178	\$13,224,050	4.0
Omaha, Neb.	40	186,015	33	749,575	-75.2	1,361	13,461,970	1,832	8,602,907	56.5
Tulsa, Okla.	93	290,341	130	921,165	-68.5	2,429	9,682,487	2,175	9,869,448	-1.9
Denver, Colo.	134	680,900	157	480,550	41.7	3,390	7,549,920	3,036	6,779,880	11.4
Oklahoma City, Okla....	76	219,441	146	446,300	-50.9	1,675	6,044,741	1,677	8,983,179	-32.7
Wichita, Kans.	45	95,400	59	543,450	-82.4	1,774	3,804,177	1,241	4,849,921	-21.5
Okmulgee, Okla.	25	98,000	59	194,050	-49.4	638	2,342,975	812	3,331,925	-29.7
Lincoln, Neb.	11	12,325	16	60,600	-79.6	536	2,110,545	674	2,052,452	2.8
St. Joseph, Mo.....	26	17,790	19	32,500	-45.2	592	1,942,229	557	1,091,720	77.9
Topeka, Kans.	22	134,910	11	7,895	1608.8	513	1,657,794	488	1,432,295	15.9
Kansas City, Kans.....	18	38,650	13	75,800	-49.0	460	1,280,285	494	1,637,237	-21.7
Cheyenne, Wyo.	11	397,883	7	27,500	1346.9	311	1,159,696	172	466,990	148.4
Muskogee, Okla.	10	58,659	13	31,960	83.7	226	898,454	209	794,051	13.2
Colorado Springs, Colo....	27	23,418	20	5,347	337.9	712	773,915	401	319,145	142.5
Pueblo, Colo.	36	29,832	11	20,940	47.2	610	739,269	562	676,300	9.3
Leavenworth, Kans.	4	32,000	...	.....	.....	37	203,000	38	87,950	130.8
Total	751	\$3,004,814	866	\$4,681,882	-35.8	18,952	\$67,411,752	18,860	\$65,122,245	3.5

BANK CLEARINGS FOR DECEMBER AND THE YEAR AT CITIES OF THE KANSAS CITY FEDERAL RESERVE DISTRICT

	December		% Change	Twelve Months		% Change
	1920	1919		1920	1919	
Kansas City, Mo.....	\$ 744,510,135	\$1,070,862,537	-30.5	\$11,615,142,429	\$11,222,743,324	3.5
Omaha, Neb.	180,572,180	240,887,508	-25.0	3,020,338,414	3,057,208,535	-1.2
Denver, Colo.	164,854,578	161,776,391	1.9	1,980,636,946	1,630,360,805	21.5
Oklahoma City, Okla....	113,836,137	62,889,837	80.7	1,037,717,950	640,673,439	61.9
Tulsa, Okla.	53,005,606	47,760,436	10.9	669,690,615	517,925,738	29.3
St. Joseph, Mo.....	49,286,011	75,926,804	-35.1	830,318,768	888,467,944	-6.5
Wichita, Kans.	47,314,280	65,465,244	-27.7	719,765,924	633,608,054	13.6
Kansas City, Kans.....	21,076,968	3,589,396	487.2	242,791,312	37,876,798	541.2
Muskogee, Okla.	20,292,570	19,482,415	4.1	241,241,938	176,112,186	36.9
Lincoln, Neb.	17,341,405	22,886,475	-24.2	286,469,930	274,509,348	4.4
Topeka, Kans.	12,957,148	16,542,139	-21.6	174,180,427	177,395,390	-1.8
Cheyenne, Wyo.	8,827,126	7,798,613	11.9	90,962,144	.....	.....
Hutchinson, Kans.	8,152,935	2,769,000	187.2	.....	.....	.....
Joplin, Mo.	6,617,000	8,213,000	-19.4	93,265,068	82,597,000	12.9
Colorado Springs, Colo..	4,164,845	4,692,268	-11.2	62,377,845	50,724,268	22.9
Independence, Kans. . .	4,146,373	.....	.....	.....	.....	.....
Pueblo, Colo.	4,061,452	3,581,118	13.4	52,079,069	38,962,011	33.7
McAlester, Okla.	3,116,000	.....	.....	.....	.....	.....
Hastings, Neb.	2,662,834	2,967,215	-12.2	43,976,559	34,205,327	28.8
Atchison, Kans.	2,501,254	3,636,955	-31.2	45,798,405	36,852,381	24.3
Parsons, Kans.	1,968,825	2,232,840	-11.8	23,739,925	21,675,479	9.5
Fremont, Neb.	1,948,384	3,206,152	-38.9	39,746,047	41,234,074	3.6
Guthrie, Okla.	1,829,603	2,572,203	-28.9	31,401,898	20,664,042	51.9
Miami, Okla.	1,810,117	.....	.....	.....	.....	.....
Lawrence, Kans.	1,771,541	2,090,626	-15.3	22,986,514	22,128,609	3.9
Grand Junction, Colo..	1,104,686	.....	.....	13,082,503	.....	.....
Emporia, Kans.	964,438	777,840	23.9	.....	.....	.....
Totals	\$1,480,694,431	\$1,832,607,011	*-19.7	\$21,376,598,430	\$19,605,924,752	**9.0

*Percentage computed on cities reporting for December of both years.
**Percentage computed on cities reporting for 12 months of both years.

Combined Balance Sheet
FEDERAL RESERVE BANK OF KANSAS CITY
 January 14, 1921

RESOURCES	LIABILITIES
Gold Redemption Fund F. R. Notes	Federal Reserve Notes in Actual Circulation
\$ 4,865,834.75	\$106,911,875.00
Gold with F. R. Agent	Fed. Reserve Bank Notes in Actual Circulation
40,394,740.00	13,807,000.00
Gold Settlement Fund	\$120,718,875.00
23,901,343.10	U. S. Treasurer General Account
Gold with Foreign Agents	1,147,968.55
158,400.00	Members, Reserve Account
Gold Certificates and Coin	78,608,680.30
3,628,557.95	Other Deposits
Legal Tender Notes, Silver Certificates, etc.	859,562.93
2,348,589.20	All Other Transit Items
\$ 75,297,465.00	46,036,840.89
National Bank Notes	126,653,052.67
460,450.00	Capital Paid-in
Bank Notes of Other Fed. Res. Banks	4,456,850.00
2,600.00	Surplus Fund
F. R. Notes of Other Fed. Res. Banks	9,158,814.24
541,500.00	Gross Earnings
Unassorted Currency	\$322,511.20
4,363,718.00	Less Current Expense
Transit Items	62,426.86
47,500,584.22	260,084.34
Checks and Other Cash Items	13,875,748.58
223,423.02	1,627,318.31
Exchanges for Clearing House	\$262,874,994.56
231,453.91	Total Liabilities
53,323,729.15	\$262,874,994.56
Secured by Government Obligations:	Contingent Liability as Endorser on Bills Rediscounted with Other Federal Reserve Banks
Member Banks' Collateral Notes	13,576,600.61
28,482,939.00	
All Others	
6,667,932.39	
Otherwise Secured and Unsecured:	
Member Banks' Collateral Notes	
5,000.00	
All Others	
73,458,122.72	
Bills Purchased in Open Market	
1,503,004.73	
U. S. Bonds Owned	
8,867,850.00	
U. S. Certificates of Indebtedness	
12,820,500.00	
Nickels and Cents	
131,805,348.84	
5% Redemption Fund Fed. Res. Bank Notes	
82,646.47	
Bank Premises	
915,590.00	
All Other Resources	
1,282,278.57	
	167,936.53
\$262,874,994.56	

RESERVES

Ratio of Total Reserves to Net Deposit and Note Liability Combined, 41.7%
 Gold Reserve Against Fed. Res. Notes After Setting Aside 35% Against Net Deposit Liability, 46.4%