

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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FURTHER improvement of conditions in the Tenth Federal Reserve District is reflected by the reports from which this Monthly Review for March is written. Some lines of trade and industry are slow to rally from the depression incident to readjustment. But, all in all, the reports are such as to encourage the belief that well sustained progress is making toward better, sounder and healthier conditions throughout the District and Nation.

Following the mildest February of recorded weather history, the transition of winter into spring was so nearly imperceptible that early March took on much of the usual spring activity. This was a bit disappointing to sales of winter wear and fuel. On the other hand it was a stimulus to spring trade in many lines; it quickened to a considerable extent manufacturing activities, and it gave the farmers an opportunity to do their spring plowing and planting earlier than usual without employing so much hired help.

The labor situation, however, is unsettled, due to efforts at readjustment. Some reductions have been accepted by employees, but those recently proposed by the railroads and meat packing plants are being resisted, the former appealing to the Railroad Board and the latter voting to strike, though not averse to arbitration. There have been recent reductions of forces by railroads, some of the manufacturing plants and business houses, but on the whole the early spring activities noted have absorbed a big part of the unemployed.

FINANCIAL.

Still further progress in the direction of a reduction of the volume of credits is reported in this Monthly Review, although accompanied by a decrease in the aggregate of reserves and deposits. But the demand for loanable funds in the Tenth Federal Reserve District—in which agriculture, live stock, mining and petroleum are the principal industries—continues quite heavy and there is no apparent tendency toward a softening of rates. Bankers seem from their reports to have met the large March 1 farm settlements and the income tax payments without great inconvenience.

The early arrival of spring weather, which is bringing increased activity in many lines of industry, is adding to the volume of cash and credit requirements for such purposes. Commercial and market needs are

fairly active although the lower prices on merchandise, grain and live stock call for less money than in months past when prices were much higher.

Considerable interest is being awakened among bankers of the southwest in trade financing, with particular reference to promoting foreign trade for the products of this district. There are also some evidences of interest displayed by bankers in bankers' acceptances. But it is apparent that the heavy demands on this district for a large production and marketing of necessities are absorbing their available funds; and thus at present they are not in position to invest heavily in the acceptance market. The Federal Reserve Bank at this time has only comparatively small holdings of bills, due mainly to the fact that member banks' requirements are heavy.

The Federal Reserve Bank Statement.—Total gold reserves of the Federal Reserve Bank at the close of business March 18 were \$75,972,889, a decrease of \$8,710,005 or 10.3% from the previous week and \$4,012,889 or 5% less than the total reported for the corresponding date last year. The ratio of total reserves to deposit and Federal Reserve notes liabilities combined was 43.1%, which compares with 48.8% on March 11 and 44.2% on March 19, 1920. Federal Reserve notes in actual circulation as of March 18 were \$96,977,325 which is \$1,600,450 less than one week previous and \$5,753,920 less than one year ago. Federal Reserve Bank notes in actual circulation were \$11,747,000 as compared with \$11,956,400 one week previous and \$17,541,300 one year ago, the decrease of these notes for the year being 33%.

The March 18 statement shows \$35,178,789 of bills discounted which were secured by Government War obligations, showing an increase of \$1,567,672 over the total of March 11, but \$1,568,467 less than at the corresponding reporting date in 1920. Other bills discounted totaled \$64,540,641 in the last report or \$1,264,668 more than on March 11 but \$1,310,622 less than one year ago.

Total gross deposits were \$86,308,140 as compared with \$85,646,959 as of March 11.

Member Banks Reports.—Eighty-two selected member banks, by their weekly statement to the Federal Reserve Bank of Kansas City as of March 4, reported an aggregate of \$559,451,000 of loans and discounts and investments, which was \$3,368,000 or .59% less than the total loans and discounts and investments

reported by the same banks as of February 4. Loans secured by Government obligations decreased \$1,318,000 and loans secured by stocks and bonds other than U. S. Bonds decreased \$2,970,000, while there was an increase in the volume of all other loans which amounted to \$2,730,000. Investments by these banks in U. S. Bonds increased \$559,000 in the four weeks, while there was a decrease of \$366,000 in the investment in U. S. Victory notes.

Net demand deposits on which reserve is computed aggregated \$401,671,000 which was an increase of \$424,000 in the four weeks' period. For the same period time deposits were increased \$600,000 and on March 4 totaled \$101,132,000. Government deposits showed a reduction of \$263,000.

Member banks' collateral notes secured by Government obligations were \$18,643,000 on March 4 or \$758,000 less than one month previous. Bills discounted by member banks secured by Government obligations were \$3,881,000 or \$558,000 less than on February 4, while other bills discounted amounted to \$37,723,000 which was \$7,352,000 less than the amount reported for this item on February 4.

Clearings.—The weekly reports of clearing houses during March to this date reflect decreases in the volume of transactions of banks in cities of this district.

The clearings for the full month of February were 31% less than the aggregate for February, 1920, for clearing houses reporting for the month in both years. Clearings for the year to date are 29.7% less than for the corresponding period last year. Following are the clearings for 31 cities for February:

	Feb., 1921	Feb., 1920	Pct. Change
Kansas City, Mo.....\$	587,387,959	\$ 924,040,930	—36.4
Omaha, Nebr.	141,090,564	222,901,976	—36.7
Denver, Colo.	104,699,043	136,359,289	—23.2
Okla. City, Okla.....	91,667,468	50,891,663	80.1
St. Joseph, Mo.....	43,901,870	71,645,481	—38.6
Tulsa, Okla.	33,731,540	53,086,074	—36.4
Wichita, Kans.	32,688,405	53,871,389	—39.3
Kansas City, Kans....	15,425,977	16,010,338	—3.6
Muskogee, Okla. . . .	14,325,406	17,429,304	—17.7
Lincoln, Nebr.	13,469,192	21,860,030	—38.3
Topeka, Kans.	11,601,484	14,372,146	—19.2
Hutchinson, Kans. . .	7,626,000	12,220,000	—37.6
Cheyenne, Wyo.	5,944,334	6,622,722	—10.2
Grand Island, Nebr....	4,613,859		
Joplin, Mo.	4,233,000	7,821,000	—45.8
Colorado Spgs., Colo..	3,788,296	4,832,409	—21.6
Bartlesville, Okla. . .	3,602,031	4,408,080	—18.3
Pueblo, Colo.	3,446,831	3,622,744	—4.9
Independence, Kans. . .	2,530,323		
Pittsburg, Kans.	2,334,627	2,386,801	—2.2
Atchison, Kans.	2,125,908	3,243,379	—3.4
McAlester, Okla.	1,983,819	3,542,000	—43.9
Hastings, Nebr.	1,933,118	3,099,899	—37.6
Fremont, Nebr.	1,752,881	2,885,430	—39.2
Guthrie, Okla.	1,557,650	2,212,418	—29.6
Parsons, Kans.	1,407,965	1,681,719	—16.2
Lawrence, Kans.	1,252,791	1,728,704	—27.5
Miami, Okla.	1,069,674		
Lawton, Okla.	1,053,900	1,419,900	—25.9
Grand Junction, Colo..	701,673	854,987	—17.9
Emporia, Kans.	423,989	786,063	—46.1

Total February \$1,143,371,577 \$1,645,736,880 —31.0*
Total Year to date... 2,581,165,139 3,647,004,369 —29.7*

*Percentage computed on cities reporting for February of both years.

Debits by Banks to Individual Accounts.—The weekly reports from sixteen reserve cities of the Tenth Federal Reserve District reflect a decrease of 24.9% in the aggregate of debits by banks to individual accounts for the four weeks ending February 9, 16, 23 and March 2, compared with debits for the corresponding weeks last year. The four weeks' total was \$957,957,000 for 1921 and \$1,275,686,000 for last year. The debits reported for the week ending March 9, 1921, and March 10, 1920, were as follows:

	March 9, 1921	March 10, 1920
Atchison	\$ 1,500,000	\$ 547,000
Bartlesville	2,218,000	3,044,000
Cheyenne	2,073,000	1,888,000
Colorado Springs	2,681,000	3,445,000
Denver	32,771,000	43,597,000
Joplin	2,274,000	3,374,000
Kansas City, Kans.....	3,777,000	4,546,000
Kansas City, Mo.....	58,754,000	88,669,000
Muskogee	5,176,000	5,876,000
Oklahoma City	26,664,000	21,398,000
Omaha	48,438,000	66,206,000
Pueblo	3,969,000	4,256,000
St. Joseph	18,634,000	20,838,000
Topeka	4,598,000	6,815,000
Tulsa	20,923,000	27,343,000
Wichita	9,969,000	14,233,000
Total sixteen cities.....	\$244,419,000	\$316,075,000

Failures.—Insolvencies during the month of February in the Tenth Federal Reserve District numbered 85 as compared with 82 in January and 29 in February of last year. Several defaults of unusual size in February swelled the aggregate of liabilities for that month to \$3,993,889. This total compares with \$1,767,286 of liabilities in January of this year and \$484,025 of liabilities in February, 1920, when commercial mortality was at an unusually low level.

MERCANTILE.

Wholesale trade continues to improve. In dry goods there has been a steady increase in the number of orders placed, but merchants are exercising caution by buying for immediate wants and not inclined to anticipate the future. February sales equal or slightly exceed sales in February, 1917, 1918 and 1919. In other words the trade is now reported about normal. Figures given as showing an increase of 50% in sales in February over January, and 50% less than in February last year, are confusing unless it is explained that in the fall of 1919 many of the wholesale houses took heavy advance orders for shipment in the first quarter of 1920, whereas practically no advance orders for shipment in the first quarter of 1921 were taken in the closing months of 1920. This accounts for the big shrinkage in sales in the early part of 1921 as against the early part of 1920, and it also accounts for the fact that outstandings at the end of February, 1921, were about one-third less than they were at that time in 1920.

The millinery trade is having a very good season. The tendency is for popular priced merchandise and buying is noticeably conservative. The gain in sales for February over February of last year by dealers in this district is attributed in part at least to the fact that many large retail dealers in this district who

visited the more distant markets in past seasons are now buying in small lots at their nearest home trade centers, and saving railroad fares and high freight and express costs. There is some indication of increased activity in the shoe trade and also in men's and women's furnishings.

Groceries and produce are in fair request and sales are a shade higher than a year ago. Attention is called to the report of one of the largest wholesale grocery companies in this district which shows the tonnage of sales for February, 1921, was 5% more than the tonnage of sales for February, 1920, notwithstanding the money value of goods sold in February for that house was 22% less than the money value of goods sold in the same month of 1920.

Drug sales continue to fall below the sales for the same period last year, which is not surprising with lower prices prevailing this year.

Wholesale furniture trade in February showed decided improvement over January but only in about one-half the volume of last year with sales expressed in dollars as a basis for comparison. The trade has apparently not yet come back to normal. Furniture and bedding are now priced approximately 40% under February, 1920, consequently wholesalers are obliged to handle more pieces to make up the volume. Stocks, however, are assuming more normal condition and deliveries from furniture factories are very prompt. The high freight rates are reported by some dealers as checking the buying by retailers.

Hardware sales are improving materially as the season advances, but they are still considerably below last year. Retailers in the small cities and country towns are buying only limited quantities, owing to the light sales they are having with the farm trade.

The mild weather in February caused a big increase in sales of paint by wholesalers to retailers for that month as compared with January, but in money value the sales for this year are decidedly below last year.

Following is a summary of percentage of increase or decrease in sales by wholesalers for February, 1921, as compared with January, 1921, and February, 1920:

	Feb., 1921, compared with Jan., 1921	Feb., 1920
Dry Goods, 1 store	50.0%	-50.0%
Millinery, 2 store	12.0%	36.9%
Drugs, 2 stores	-3.8%	-32.3%
Hardware, 5 stores	27.0%	-41.3%
Paints, 1 store	40.7%	-34.9%
Furniture, 3 stores	72.9%	-52.8%
Groceries, 6 stores	1.51%	-21.5%

The implement trade is reported quiet, though slightly improved as compared with the earlier weeks of the year.

Retail Trade.—A gradual expansion of retail trade is reflected in the reports which come from many cities of this district. This improvement, however, is somewhat spotty since the slowing down of industries in some sections has a tendency to restrict the purchasing power of the people and country buying in other sections has not yet attained a high state of activity.

The department store reports from principal cities indicate sales in February were better than in January,

and even with low prices the turn-over closely approximates that of the same period last year. The stores as a rule are better stocked at this time than they were a month ago, and though their purchases from the wholesalers are on small orders, they are in good condition to handle the spring trade.

A fair idea of the extent of retail trade in this district may be gained from the following summary of 17 department store reports to the Monthly Review covering February business:

Percentage increase (or decrease) of net sales during February, 1921, over net sales during same month last year	Inc.	4.1%
Percentage increase (or decrease) of net sales from Jan. 1, 1921, to Feb. 28, 1921, over net sales during same period last year	Dec.	1.8%
Percentage increase (or decrease) of stocks at close of February, 1921, over stocks at close of same month last year	Dec.	18.1%
Percentage increase (or decrease) of stocks at close of February, 1921, over stocks at close of January, 1921	Inc.	10.0%
Percentage of average stocks at close of each month this season (commencing with January, 1921) to average monthly net sales during the same period		450.3%
Percentage of outstanding orders (cost) at close of February, 1921, to total purchases (cost) during the calendar year, 1920		11.8%
Percentage of collections during month of February, 1921, on amount of outstanding accounts on January 31, 1921		47.3%
Percentage of collections for same period last year ..		48.4%

Lumber and Materials.—Sales of lumber and other building materials are reported as becoming more active with the opening of the building season and quite a few large bills are being figured with fair prospects of a goodly percent going through. Line yards are in fairly good shape but there is not a great deal of activity in rural districts. Prices of practically all building grades of lumber have shown further decline. There is a vast amount of building projected particularly in the larger cities but how much of this building will be done this season will depend largely upon the adjustment of wage scales and working conditions for which negotiations are now pending.

Price Levels.—The current reports show further deflation in commodity prices but declines recorded are small and of less sensational character than those reported in the previous six months.

Collections.—Scattered reports covering various lines of trade throughout the district show that there was some slight improvement in collections during the month of February and the sentiment among business men in this respect was one of hopefulness.

AVERAGE CASH SALES OF GRAIN AT KANSAS CITY ON DATES MENTIONED IN CENTS PER BUSHEL

	Feb. 18	Mar. 4	Mar. 18
Wheat			
No. 2 Dark hard winter	172	170	160
No. 1 Hard winter	167½	165	154
No. 1 Red ..	181	176	157
Corn			
No. 3 White ..	58¾	60½	58
No. 3 Yellow ..	60	60	56½
No. 3 Mixed ..	58	59	56
Oats			
No. 3 White ..	44½	46	41

AGRICULTURE.

The winter just closed was the mildest and without doubt the most pleasant that has been recorded for the states which comprise the Tenth Federal Reserve District. There was no zero weather in February and the percentage of precipitation was smaller than is usual for that month. At the end of the month the soil in many sections of the larger crop producing area was beginning to show the need of moisture, but this was supplied during the first half of March by rains of varying depth over sections where most needed. The open winter was favorable for plowing and preparing the soil for spring planting. Weather conditions generally stimulated growth of vegetation and of crops in the ground, but as a result heavy insect infestation for the spring months was encouraged, and considerable uneasiness is felt in various sections of the district as well as in adjoining agricultural districts.

The growing condition of winter wheat is generally fair to good all over the United States, according to the reports of the State Boards of Agriculture and the crop reporting service of the United States Department of Agriculture. In the principal wheat growing states of the Tenth Federal Reserve District conditions reported are such as to make the outlook especially promising. Winter wheat is well advanced and the acreage planted last fall runs but little below the large acreage harvested last year. An outbreak of green bugs is threatened in Oklahoma and Kansas, which if not checked by rapid increase of parasitic enemies may cause damage comparable with that in 1907. In that year April was the month of greatest damage in Oklahoma, May in Kansas and July in the spring wheat regions of Minnesota and the Northwest. Some reports from Kansas and Missouri tell of the presence of the hessian fly, but this condition is not causing serious alarm at this time. There has been practically no winter killing of wheat reported. On the whole the condition is very satisfactory.

On account of the open winter and the low temperature there has been a larger seeding of oats than usual to this date. In Oklahoma and in the lower half of Missouri and Kansas seeding has been finished. Oats generally are doing well.

On account of the heavy crop of corn last year and the large carry-over of corn in cribs on farms there are reports here and there of reductions in the acreage to be planted to corn this spring. However, the very favorable winter enabled the farmer to make good

headway in preparing the soil during February and March to this date. It is too early to give anything like an accurate estimate of the 1921 corn acreage.

In Oklahoma much of the cotton of last year is still in the fields and being plowed under. The reports indicate some reduction in cotton acreage this year, due to the low price and the difficulty experienced by farmers in financing their crop activities.

A large acreage of potatoes is forecast for the Kaw Valley potato region in Kansas. The ground has been in excellent condition and many fields were planted during the first two weeks of March.

Fruit prospects are especially good at this time with practically no winter killing, but buds have been pressed forward so rapidly by the mild weather that there is still apprehension felt on account of possible freezing during April. Peach and plum buds have especially advanced not only in southern Missouri, Oklahoma and New Mexico, but throughout southern Kansas and up the Missouri Valley. The condition of fruit in this section is reported around 90%. The strawberry crop is beginning to move from the Gulf Coast sections and is making rapid growth in southern Missouri, Arkansas and Oklahoma, with an increased acreage reported. A Colorado report says that many apples will not be marketed this season from Mesa and other western slope counties, due partly to poor quality and largely to poor markets. Prices in such sections are quoted as around 60c per bushel. There is some interest being shown in additional apple orchards in Missouri with good crops for this year practically assured.

Farm Reserves of Grain.—With every prospect favorable for a good crop year in 1921, the reports of the Department of Agriculture indicate that larger stocks of grain were held on the farms in the United States March 1 than on the same date in any year of history, with the possible exception of wheat in 1916, the year following the nation's billion bushel wheat crop. The percent of the 1920 crop of grain still in farmers' cribs and bins in the states of this district is even larger than the percent of carry-over for the entire nation. The reports from Kansas, Nebraska, Colorado, Oklahoma and Wyoming, the great grain growing areas of this district, indicate that the farmers were holding 307,162,000 bushels of corn, or 56.1% of their total 1920 crop. Their wheat holdings on March 1 totaled 81,737,475 bushels, or 28.9% of the 1920 crop. The carry-over of oats by farmers of these states totaled 116,974,120 bushels, which was 50.1%

PRODUCTION OF WHEAT, CORN AND OATS (BUSHELS) IN 1920 AND QUANTITY HELD ON FARMS MARCH 1 IN LEADING GRAIN STATES OF THE KANSAS CITY FEDERAL RESERVE DISTRICT.

	Wheat		Corn		Oats	
	Production	On Farms	Production	On Farms	Production	On Farms
Colorado	22,821,000	6,390,000	17,450,000	9,423,000	8,058,000	*4,029,000
Kansas	137,056,000	41,117,000	137,535,000	74,269,000	68,799,000	33,024,000
Missouri 19 counties	11,255,000	2,757,475	45,595,000	23,689,400	14,212,000	7,248,120
Nebraska	60,480,000	19,958,000	255,528,000	160,983,000	83,040,000	48,163,000
Oklahoma	46,240,000	10,635,000	89,320,000	38,408,000	48,000,000	18,240,000
Wyoming	5,081,000	1,880,000	1,560,000	390,000	.....	6,270,000
District	281,933,000	81,737,475	546,988,000	307,162,400	233,509,000	116,974,120
United States	787,128,000	207,501,000	3,232,367,000	1,572,392,000	1,526,055,000	689,566,000

*Estimated.

Percent of 1920 crop on farms in states of the Kansas City Federal Reserve District: Wheat, 28.9%; Corn, 56.1%; Oats, 50.1%.

Percent of 1920 crop on farms in United States: Wheat, 26.4%; Corn, 48.6%; Oats, 45.2%; Barley, 34.6%.

of the entire crop of 1920. Compared with last year's holdover these figures show 127% more corn on farms in this district than at the same date last year, while the increase of wheat this year over the carry-over for 1920 was 27.9%.

The heavy carry-over of wheat is attributed very largely to the effort on the part of very many farmers to so distribute their marketings as to maintain a higher level of prices. In regard to corn, however, it is noted that farmers generally are more or less indifferent about the immediate market. The huge crop of last year has given them an opportunity to store good reserve stocks for the first time in five years and there is a disposition to hold on to the bulk of these reserve stocks, at least until a good crop is assured for this year.

The Grain Market Movement.—Marketing of wheat in this district in the month of February was on a larger scale than in any previous February, the receipts at the four principal markets being 9,463,050 bushels as compared with 5,850,050 bushels in February, 1920, an increase of 62.7%. The increase was shared by all markets in about the same percent. Receipts of corn at the same markets were 4,645,000 bushels against 5,038,850 bushels a year ago, a decrease of 393,850 bushels or 7.8%. The receipts of oats also showed a very large falling off, the decrease being 1,748,000 bushels or 64% for the four markets.

The active marketing of wheat in February was a continuation of the disposition of producers to unload a large portion of their surplus for which they had anticipated higher prices. Hard wheat had a liberal price range during the month.

Flour and Milling.—Considerable strength developed in milling situation in the southwest during the latter part of February and while there were no large bookings, the flour trade showed signs of healthy improvement during that week and in March. The flour output at reporting mills in this district in February totaled 1,192,730 barrels as compared with 1,535,078 barrels in the corresponding month last year. Kansas City mills, with a total of 301,380 barrels to their credit in February, made an increase of 6.4% over the output of one year ago. Mills at Omaha and at 82 interior points in Missouri, Kansas, Oklahoma and Nebraska showed a slight falling off in the activity as compared with a year ago. The following shows the output of flour, barrels, at mills reporting to the

Northwestern Miller for four weeks ending February 26:

	1921	1920	Pct. Change
Kansas City	301,380	283,100	6.4%
Omaha	49,457	75,605	—34.6%
82 Outside Mills	841,893	1,176,373	—28.4%
Total Barrels	1,192,730	1,535,078	—22.3%

Flour receipts in February at Kansas City were 48,100 barrels and shipments 250,250 barrels. In February, 1920, receipts were 68,900 barrels and shipments 243,750 barrels.

LIVE STOCK.

The reports from the farms and ranges over the Tenth Federal Reserve District say that all classes of live stock are generally in good healthy condition due to the mild open winter and a plentiful supply of feed. Cattle are doing exceptionally well although in New Mexico at the end of February they were beginning to show the effect of scanty pasture resulting from dry weather conditions. Losses from disease have been light. On account of the highly favorable weather conditions the spring calf crop is expected to be high. Very few cases of cholera are reported among hogs and there is noticeably less vaccination of hogs than usual in some places. Conditions have been favorable for a good lambing season.

Active demand from eastern shippers at the leading western markets, and Pacific Coast shippers in the same markets, combined to lessen to a considerable extent the supply of hogs available at those market centers for local slaughter. On March 7 the top price of hogs at Kansas City was \$10.60, showing an average price of \$9.86 and an average weight of 236 pounds. At Omaha the top price on the same day was \$10.25, average price \$9.80 and average weight 254 pounds. The tendency to put heavy weight on hogs as a result of the abundant supply of corn has put a premium on lighter weights. Following sharp advances during the latter part of February lamb prices received a setback in the opening week of March with increased receipts and slow eastern dressed meat trade. Matured sheep showed a relatively smaller decline than lambs. Choice lambs at Kansas City sold for \$8.25 to \$9.85 and at Omaha for \$8.75 to \$9.75.

RECEIPTS AND SHIPMENTS OF GRAIN (BUSHEL) AT AND FROM FOUR PRINCIPAL MARKETS IN THE TENTH DISTRICT FOR THE MONTH OF FEBRUARY, 1921 AND 1920.

	Kansas City		Omaha		Wichita		St. Joseph		Four Markets	
	Feb., 1921	Feb., 1920	Feb., 1921	Feb., 1920	Feb., 1921	Feb., 1920	Feb., 1921	Feb., 1920	Feb., 1921	Feb., 1920
Receipts										
Wheat	6,556,950	4,213,350	999,600	720,000	1,380,000	433,200	526,500	448,500	9,463,050	5,815,050
Corn	1,630,000	1,723,750	2,329,600	2,588,600	102,200	135,000	583,500	586,500	4,645,300	5,033,850
Oats	428,400	1,033,600	420,000	1,374,000	15,000	140,000	108,000	172,000	971,400	2,719,600
Rye	30,800	67,100	49,500	126,500	.....	.....	1,400	.....	81,700	183,600
Barley	117,000	157,500	61,200	30,600	.....	21,000	36,750	.....	214,950	209,100
Kaffir	463,100	721,600	.....	.....	15,000	.....	19,500	.....	497,600	721,600
Shipments										
Wheat	5,354,100	3,821,850	981,600	776,400	750,000	125,600	207,000	144,000	7,292,700	4,867,850
Corn	416,250	646,250	1,481,200	1,888,600	88,000	37,800	391,500	235,500	2,376,950	2,808,150
Oats	504,000	712,500	610,000	1,380,000	15,000	110,000	72,000	34,000	1,201,000	2,236,500
Rye	28,600	107,800	50,600	79,200	.....	.....	2,800	.....	82,000	187,000
Barley	75,400	84,500	70,200	21,600	.....	18,000	5,250	.....	150,850	124,100
Kaffir	211,000	285,000	.....	.....	15,000	.....	.....	.....	226,000	285,000

Live Stock Markets.—The supply of cattle and calves continues to fall below last year's receipts at the markets in this district although a greater number of hogs was marketed in February than in January and also in February a year ago. The run of sheep at the markets has been heavy for this season and but slightly below the supply of last year.

The receipts of cattle, calves, hogs, sheep, horses and mules at each market for the month of February, with the totals for January, 1921, and February, 1920, were as follows:

	Cattle	Calves	Hogs	Sheep	Horses & Mules
Kansas City	110,044	14,668	244,298	142,989	3,180
Omaha	93,395	4,407	326,486	184,639	670
St. Joseph	39,035	4,979	178,250	82,450	1,567
Denver	18,824	1,825	39,259	94,857	950
Oklahoma City	17,277	1,706	29,710	784	129
Wichita	10,132	1,685	29,606	363	898
February, 1921	288,707	29,270	847,609	506,082	7,394
January, 1921	406,904	36,599	777,551	509,252	5,997
February, 1920	359,825	33,151	648,939	520,918	29,099

Slightly higher prices were reported in the second week of March for most classes of cattle and hogs. Kansas City reported a beef steer top at \$10.25, and Omaha at \$10.00. More Colorado pulped cattle are being shipped to the Missouri River markets and some of these reached \$9.75 at Kansas City. Stockers and feeders were in very active demand and prices approached levels which were close up to fed cattle, farmers paying up to \$9.00 at Kansas City for best feeder steers.

Meat Packing Operations.—Purchases in February of meat animals for slaughter by packers at the six packing house centers totaled 157,480 cattle, 22,574 calves, 641,193 hogs and 333,147 sheep. Compared with packers' purchases in January these totals show decreased purchases of 31.4% of cattle, 21.7% of calves, 10.3% of sheep and an increase of 4% of hogs. Compared with February of a year ago the purchases for the month this year were 14.7% less of cattle and 22.4% less of calves, while purchases of hogs increased 34% and of sheep 13.6%. Figures on packers' purchases for February follow:

	Cattle	Calves	Hogs	Sheep
Kansas City	58,746	13,721	183,132	119,958
Omaha	56,490	1,916	243,608	129,384
St. Joseph	22,221	4,509	148,435	66,217
Denver	8,115	1,067	35,740	16,795
Oklahoma City	11,653	1,072	26,484	781
Wichita	255	289	3,794	12
January, 1921	157,480	22,574	641,193	333,147
January, 1921	229,778	28,846	616,444	371,332
February, 1920	184,930	29,102	478,476	293,357

PETROLEUM.

The second week of March brought a marked improvement in the situation in the mid-continent field, with every oil purchasing company in Oklahoma and Kansas, with one exception, buying crude oil on a 100% basis. It is also noted that in the face of a slowing down of new development operations pending re-adjustment in the petroleum industry, production of crude oil from wells in Kansas and Oklahoma has been steadily increasing since the low point of production at the first of the year. The output of crude oil in the two states was approximately 353,000 barrels daily during the first ten weeks of 1921. While this average is about 13% below the daily average of last November, which was the month of peak production in 1920, it is considered exceptionally high for the season. The ten weeks daily average compares with 326,850 barrels as the daily average for the first ten weeks of 1920 and 288,790 barrels as the daily average for the first ten weeks of 1919. All districts in the two states during the period under review show a high average, even with fewer wells than formerly. The average number of barrels (42 gallons) of crude oil produced daily during each reporting week this year, and also for the corresponding weeks in the two previous years, is shown in the following:

	1921 Barrels	1920 Barrels	1919 Barrels
Daily Average Week Ending			
January 7	344,000	327,000	277,000
January 14	347,000	321,500	268,500
January 21	349,000	323,500	277,000
January 28	352,000	324,000	279,500
February 4	352,500	325,000	287,000
February 11	350,500	324,500	296,000
February 18	354,500	332,500	301,000
February 25	359,500	330,500	302,000
March 4	364,500	329,500	300,700
March 11	366,500	330,500	299,200
Daily average first 10 weeks	353,000	326,850	288,790

The foregoing figures indicate a total production of crude oil in the two states for the first seventy days of 1921 of 24,710,000 barrels, compared with 22,879,500 barrels for the same period last year, and 20,223,000 barrels for the same period two years ago. Production in the Rock Mountain fields, according to current reports, is but slightly under the high daily average of last autumn and is considerably ahead of the production at this time last year. The output in January of 1,551,000 barrels was maintained through February.

The current reports show that in the month of February, immediately following the big break in oil prices, there was a noticeable falling off in the number of wells completed and daily new production as compared with the record of development operations in January. The following shows the number of wells completed and the total barrels of daily new produc-

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

	Beef Steers Good-Choice	Butcher Cattle Com.-Choice	Feeder Steers Com.-Choice	Stocker Cattle Com.-Choice	Hogs Bulk Sales	Lambs Med.-Choice
February 15	\$8.25@ 9.40	\$4.50@7.65	\$6.50@8.15	\$3.75@7.00	\$8.75@ 9.50	\$5.85@ 8.10
February 21	8.40@ 9.60	4.50@8.00	6.75@8.35	3.75@8.00	8.75@ 9.25	6.75@ 9.25
March 1	9.15@10.40	5.00@8.65	7.50@9.25	4.00@8.75	9.15@ 9.80	8.00@10.75
March 8	8.85@10.25	4.75@8.25	7.00@9.25	4.00@8.85	9.75@10.50	7.00@ 9.85
March 15	8.50@10.00	4.65@8.25	7.25@9.10	4.50@8.85	9.70@10.50	7.50@10.00

tion for the months of January and February in the states of Kansas, Oklahoma and Wyoming, and also for the corresponding two months in 1920 and 1919:

	Wells Completed			Bbls. Daily New Production		
	January	February	1919	January	February	1919
Kansas	341	366	477	23,313	32,066	18,706
Oklahoma	1,414	1,021	1,137	112,206	71,843	80,161
Wyoming	63	34	34	6,438	2,914	3,255
Two months	1,818	1,421	1,618	141,957	106,823	102,122

At the end of February rigs and wells drilling in the three states numbered 2,624, which was 261 wells less than reported at the end of January. Kansas reported a loss of 23 and Oklahoma a loss of 262, while Wyoming reported an increase of 24. The figures for the three states on wells drilling at the end of February and also at the end of January for the years 1921, 1920 and 1919 are given:

	1921	1920	1919
Kansas	376	484	494
Oklahoma	1,616	1,952	1,427
Wyoming	632	570	274
Three States			
February	2,624	3,006	2,195
January	2,885	2,980	2,352

The noticeable falling off of drilling operations in February as compared with drilling operations in January is attributed largely to many operators pursuing a policy of confining development operations almost entirely to offsets pending the readjustment which is taking place in the oil industry. The reports indicate that the drilling of many new wells has been stopped at top of sand and even at depths far above sand levels, while noticeably fewer new wells are reported as being started. This condition was described by operators as being merely temporary, in view of the fact that the extremely mild weather of the past sixty days is bringing improvement in the market situation.

Mid-continent crude oil in the first half of March held steady at \$1.75 per barrel, which figure was reached February 9 after a series of drops from the high price of \$3.50 per barrel which started January 24. The price of crude oil in the various fields of Wyoming, which was quoted at \$2.60 down to \$1.80 per barrel January 5, dropped an average of 85c per barrel and quoted March 11 at \$1.75 down to \$1.40 for the products of all fields except Mule Creek and Lander, which were quoted at 95c and 90c per barrel.

MINING.

Coal.—The rate of production of soft coal at the mines of this district which slumped considerably during January showed further declines through February and to this date in March. The reports indicate an average of capacity operation during February of 55.3% in Colorado and Wyoming, 50.7% in Kansas, 65.3% in Missouri and 56% in Oklahoma, with an average of 56.8% of capacity operation for the four states.

The statement of the United States Geological Survey, Department of the Interior, as of March 5, shows that the weekly production of soft coal was lower than at any time during the past four years except during the coal strike of 1919. Production of bituminous coal

during the first 279 days of the past four coal years was given in net tons as follows:

1917-18	499,655,000
1918-19	515,364,000
1919-20	437,596,000
1920-21	490,512,000

Taking the reports from the coal states of this district, it will be seen that the losses in production from capacity operation have been largely a matter of "no market," while strikes were an important factor in bringing the capacity operation in Kansas below that of other states. In the mountain states, particularly in the Routt County field of Colorado, serious losses were due to transportation disability which appears to have been caused by heavy snows and adverse weather conditions. The various causes for the loss in capacity operation are here shown for the four states, based on reports for weeks ending February 5, 12 and 19:

	Colo.	Kans.	Mo.	Okla.	Ave.
Transportation Disability	13.6%	.2%	1.0%	1.6%	4.1%
Labor Shortage	4.0%	1.6%	2.6%	2.0%	
Strikes	16.1%	1.2%	4.3%		
Mine Disability	1.7%	6.0%	4.2%	.9%	3.2%
No Market	29.3%	22.9%	26.9%	39.2%	27.1%

There has been little demand for domestic coal on account of the warm weather prevailing, while at the same time the demand for coal for steam plants was below normal and had much to do with the slowing down of operation because of "no market."

Lead and Zinc.—The month of February represented the lowest ebb reached by the zinc industry in a period reckoned by decades. The average price paid for zinc all during the month for all grades was \$22.78 as compared with \$51.21 one year ago. Shipments of zinc ores dropped to 23,476 tons for the month, an average of 5,869 tons per week. This compares with 12,614 tons per week one year ago, a decline in shipments of more than 50% and a price decline of approximately 60%. Thirty-eight mills were in operation in February as compared with 200 in operation one year ago, while labor employed dropped from 10,000 one year ago to 2,000 in February. Wages have declined 30% to 50%. There is no parallel in the history of the industry with which to compare present conditions, yet in the face of all these facts there has been an optimistic attitude and the spirit of industry remains undaunted.

In the bins of the producers there now is 55,000 tons of zinc ore which on the basis of the present prices for selling is approximately 50% below a normal price over a period of many years. As a result of these low prices there is considerable buying of zinc ores by the speculative class. This is relieving some of the mine companies to a very great extent and removing the carry charges from the industry to the hands of the speculators, but so far as can be seen at present this has not the effect of strengthening the market for zinc ores.

The lead ore market, following the trend of pig lead, dropped to \$32.00 the last week of February, a cut of \$13.00 per ton from the opening market at the beginning of the month and establishing a new low level for lead ores. This was a blow to the mining industry, especially among that class of mines which produce

considerable tonnage of lead ores as a by-product. The higher prices paid have been a saving factor for that class of properties and this cut in prices is reducing the operation of mines of this character. There was also an increase in the amount of surplus stock on hand among this class of ores, the amount rising to 600 tons of lead ores at the end of the month. The shipment of lead ores for the month aggregated 5,295 tons, a weekly average of 1,224 tons at an average price of \$41.30.

The Ontario Smelting Company announced the re-opening of its plant on a daily schedule of four days per week and announced to its workmen that it would continue operations on that scale until its surplus stocks of ores had been turned to pig lead, at which time there would be further announcement as to the activity of the concern.

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

	At Close of Business March 18, 1921
Gold Coin and Certificates.....	\$ 2,502,321.22
Gold Settlement Fund F. R. Board.....	30,865,293.25
Gold with Federal Reserve Agent.....	38,156,390.00
Gold Redemption Fund.....	4,448,884.75
Legal Tender Notes, Silver, etc.....	3,200,942.70
Bills Discounted:	
Secured by Govt. Obligations.....	35,178,789.28
All Other.....	64,540,641.24
Bills Bought in Open Market.....	239,300.00
U. S. Govt. Bonds.....	8,867,850.00
U. S. Cert. of Indebtedness.....	10,672,500.00
Bank Premises.....	1,742,383.24
5% Redemption Fund Against F. R. Bank Notes.....	915,590.00
Gold Abroad in Custody or in Transit.....	158,400.00
Uncollected Items.....	53,111,853.71
All Other Resources.....	524,721.65
Total Resources.....	\$255,125,861.04
LIABILITIES	
Capital Paid In.....	\$ 4,487,950.00
Surplus.....	9,158,814.24
Government Deposits.....	12,245,226.40
Due to Members, Reserve Account.....	72,765,007.93
Other Deposits.....	1,297,906.51
F. R. Notes in Actual Circulation.....	96,977,325.00
F. R. Bank Notes in Actual Circulation.....	11,747,000.00
Deferred Availability Items.....	44,112,647.12
All Other Liabilities.....	2,333,983.84
Total Liabilities.....	\$255,125,861.04
OTHER TOTALS	
Total Gold Reserves.....	\$ 75,972,889.22
Total Earning Assets.....	119,499,080.52
Total Deposits.....	86,308,140.84
Ratio of Total Reserves to Deposit and Federal Reserve Notes Liabilities Combined.....	43.1%
Ratio of Gold Reserve to Federal Reserve Notes in Actual Circulation after setting aside 35% against Deposit Liabilities.....	50.4%
CLEARINGS	
Total Clearings for Week.....	\$219,398,428.61
Total Number of Items Handled.....	1,356,938.00

Note—In order to reveal more truly the position of the Reserve Banks the statement has been slightly recast in form, the main change occurring in the deposit block. Instead of total gross deposits the statement shows total deposits which are made up of the following items: Government deposits, due to members, reserve account and other deposits, including foreign government credits. Reserve ratios have been calculated in the same manner as heretofore except that instead of net deposits total deposits as described above have been used in the calculation.

Colorado Metal Mines.—Metal mining in Colorado continues very quiet on account of the low prices of base metals and high mining cost.

The curtailment of operations in the base metal camps has, however, caused some little improvement in conditions at Cripple Creek, which is strictly a gold-producing district.

At a hearing held by the Industrial Commission regarding the reduction in wages in the metal mines it was brought out that the number of men now employed in the mines is approximately 4,000 as against 10,000, which is considered a normal figure.

BUILDING.

The February building returns to the Monthly Review from the principal cities of the Tenth Federal Reserve District denote some improvement in activity. The number of permits granted in that month in 16 cities of this district was 1,352, which is 526 more than the number of building permits granted in January of this year and 78 less than the number of building permits granted in February, 1920. While the estimated cost of buildings indicated by the February reports is 17.4% below the estimated cost in January for the same cities and 56.3 below the estimated cost in February, 1920, there is indicated by the larger number of permits issued in February a greater contemplated activity at this time. It is observed that the February reports show an average of \$2,050 as the estimated cost of the buildings authorized to be constructed, which is taken as evidence that more attention was given to the building of residences and that fewer permits were issued for large buildings, business houses and additions to manufacturing plants. It is noted that four of the sixteen cities reported increase in the estimated cost of buildings for February over the same month last year, these four being Leavenworth, Joplin, Pueblo and Kansas City, Kansas. The reports for these cities on permits issued in February follow:

	Permits	Estimated Value	Change Pct.
Tulsa, Okla.	171	\$ 644,150	—72.1
Kansas City, Mo.	311	598,850	— 6.4
Denver, Colo.	274	506,250	—38.9
Wichita, Kans.	159	262,340	—52.6
Okmulgee, Okla.	44	219,850	—24.8
Omaha, Nebr.	67	179,620	—83.6
Kansas City, Kans.	55	89,505	.02
Pueblo, Colo.	77	66,593	153.8
St. Joseph, Mo.	46	44,300	—13.6
Topeka, Kans.	43	40,367	—27.5
Lincoln, Nebr.	23	28,325	—77.3
Colorado Springs, Colo.	46	26,013	—74.7
Joplin, Mo.	14	27,185	230.6
Leavenworth, Kans.	3	17,000	240.0
Muskogee, Okla.	11	15,310	—87.6
Cheyenne, Wyo.	8	5,900	—61.2
Total Feb., 1921.....	1,352	\$2,771,558	—56.3
Total Feb., 1920.....	1,430	6,339,545	

While the foregoing figures show encouraging symptoms of increasing activity in the erection of homes, it is to be seen that even greater activity is sorely needed, and that there is apparently no limit to the amount of building of that class actually required for the present and the immediate future. There are apparent evidences of substantial recesses in prices of materials which are an encouragement to the larger activity in building, although the wages of the building trades have not come down materially.