

# 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. 6

Kansas City, Mo., June 25, 1921

THIS COPY RELEASED FOR PUBLICATION IN MORNING PAPERS

JUNE 28

### THE SITUATION AT A GLANCE

*High points on conditions in the Tenth Federal Reserve District in June are:*

*Federal Reserve Bank loans reduced one-half from the high peak of November — Financial situation improved — Ample currency and credits for all legitimate needs.*

*Harvest season now on, with estimated winter wheat crop for the district 215 to 235 million bushels — Other crops doing well under favorable weather conditions and abundant moisture. Heavy marketing of old wheat reduces farm reserve to about the usual normal supply — Flour milling in May slightly below last year.*

*Continued heavy receipts of live stock — Meat packing improved with a larger slaughter of cattle but fewer hogs and sheep as compared with this time last year.*

*Crude oil production mounting high, with further reduction of prices, and drastic measures being taken to check the output.*

*Lead and zinc mining improvement checked by decline in price of ores — Coal production lagging on account of "no market."*

*Improvement in some lines of mercantile trade, other lines slow at readjustment.*

*Liabilities involved in business failures in this district less than in any other Federal Reserve District.*

*Increased building activity, particularly in residences, permits larger both in number and estimated cost than one year ago.*

have proceeded steadily and in orderly fashion, finances in this district are in better condition than for many months past. Ample currency and credit are available for harvesting and crop movements as well as for all legitimate requirements.

Improvement in the financial situation in this district is reflected by the weekly statements of the Federal Reserve Bank of Kansas City. On November 5, 1920, loans had reached the high mark of \$163,387,000 and such was the demand for currency and credit at that time that the bank was borrowing \$41,877,649 from other Federal Reserve Banks to meet necessary requirements. In marked contrast from this state of highly inflated credits is the statement of the Federal Reserve Bank of Kansas City as of June 15, 1921, which shows a total of \$76,863,151 of loans, a reduction of 53% from the total on November 5, 1920, and not a dollar borrowed from other Federal Reserve Banks. Besides, the Federal Reserve Bank of Kansas City has in undistributed lending power more than \$50,000,000 of funds available for financing the 1921 harvest and for the movement of crops, live stock and other products of this district, whereas on November 5, 1920, and also on June 18, 1920, it is recalled that the Federal Reserve Bank was borrowing heavily from outside banks to meet the actual needs of this district.

As a further indication of the progress towards a settling down to a basis of sound, healthy activity, it is noted that Federal Reserve notes and Federal Reserve Bank notes in actual circulation on June 15, 1921, totaled \$92,954,285 as compared with \$125,968,425 on November 5, 1920, and \$113,690,905 on June 18, 1920. The ratio of total reserves to net demand deposit and Federal Reserve notes liabilities combined on June 15, 1921, was 49.1%, which compares with a ratio of 39.4% on November 5, 1920, and 40% on June 18, 1920.

While loans through the Federal Reserve Bank have been reduced more than one-half, it is also noted that the banks of the District in recent months have busied themselves with reductions of loans. The combined statement of 82 selected member banks scattered over this district may be regarded as a sample of what others of the 4,750 banks, both member and non-member banks, have accomplished. The statement as of June 8, 1921, shows that the loans and discounts

**A**N outstanding feature of the situation in this agricultural district at the 1921 harvest season is that loans by the Federal Reserve Bank of Kansas City are less than one-half the total of November last when loans were at their highest peak, and marked reductions in loans by member and non-member banks have also been made during the same period. As a result of deflations, which

(exclusive of rediscounts) and the investments of these 82 selected member banks totaled \$525,162,000 which compares with a total of \$595,720,000 on November 5 and \$610,895,000 on June 4, 1920. Demand deposits on which the reserves are computed have been reduced, the total as of June 8, 1921, being \$370,453,000 as against \$394,927,000 November 5, 1920, and \$419,752,000 as of June 4, 1920. Time deposits at the last reporting date, June 8, 1921, were \$105,955,000 against \$99,029,000 the first week in November last and \$98,568,000 at the corresponding first June report in 1920.

The seasonal requirements of agriculture, live stock, all of the basic industries of this district and of business are now very large and are expected to continue so, but the financial situation is regarded as such that no apprehension need be felt as to an ample supply of currency and credit for all legitimate business. In fact, in the process of readjustment of conditions toward what it is reasonably believed they should be, such progress has been made that the Federal Reserve Bank of Kansas City is now more liberally scrutinizing commercial paper, including motor car and jewelry paper which in the period of stress about this time last year was regarded as not so urgent as the movement of many million dollars of farm products. It is believed the time has arrived when high class eligible motor car paper supported by solvent financial statements may be considered on the same plane as any other commercial paper.

**Debits.**—Sixteen reserve cities through their clearing houses report debits to individual account for the four weeks ending June 8 totaling \$891,200,000 as compared with \$932,410,000 for the four weeks ending May 11 and \$1,228,804,000 for the corresponding four weeks in 1920. The debits in these cities for May compared with one year ago reflect a decrease of 37.8%, which is an indication of the contraction of business and deflated values of commodities. The debits for the four weeks ending June 8 follow:

Atchison . . . . .	\$ 4,427,000
Bartlesville . . . . .	8,357,000
Cheyenne . . . . .	6,782,000
Colorado Springs . . . . .	9,131,000
Denver . . . . .	125,918,000
Joplin . . . . .	8,264,000
Kansas City, Kans. . . . .	13,203,000
Kansas City, Mo. . . . .	275,732,000
Muskogee . . . . .	15,681,000
Oklahoma City . . . . .	72,588,000
Omaha . . . . .	159,443,000
Pueblo . . . . .	9,605,000
St. Joseph . . . . .	52,532,000
Topeka . . . . .	12,302,000
Tulsa . . . . .	71,498,000
Wichita . . . . .	41,737,000

Four weeks, 1921 . . . . .	\$ 891,200,000
Four weeks, 1920 . . . . .	1,228,804,000

**Clearings.**—The reports of clearing houses in thirty-two cities of this district record a total of \$1,164,832,151 for the month of May, while twenty-eight cities in May, 1920, reported clearings amounting to \$1,688,656,604. The May total is \$31.9% below the total for the same month last year, this percentage being computed on the totals for cities reporting for May in both years.

**BANK CLEARINGS FOR THIRTY-TWO CITIES IN THE TENTH FEDERAL RESERVE DISTRICT FOR MONTH OF MAY, 1921**

	May, 1921	Pct. Change
Kansas City, Mo. . . . .	\$ 569,946,173	—38.5
Omaha, Neb. . . . .	150,265,985	—36.1
Denver, Colo. . . . .	115,873,563	—23.7
Oklahoma City, Okla. . . . .	94,848,478	75.9
Wichita, Kans. . . . .	44,935,975	—20.6
St. Joseph, Mo. . . . .	38,797,361	—41.9
Tulsa, Okla. . . . .	33,259,370	—37.8
Kansas City, Kans. . . . .	16,268,992	4.2
Lincoln, Neb. . . . .	14,574,499	—39.4
Muskogee, Okla. . . . .	13,691,323	—19.9
Topeka, Kans. . . . .	10,520,520	—27.7
Hutchinson, Kans. . . . .	7,647,877	—38.9
Enid, Okla. . . . .	5,561,133	
Cheyenne, Wyo. . . . .	5,146,246	—30.8
Grand Island, Neb. . . . .	4,315,955	
Okmulgee, Okla. . . . .	4,236,584	—38.8
Joplin, Mo. . . . .	4,184,512	—46.6
Colorado Springs, Colo. . . . .	3,668,143	—22.1
Pueblo, Colo. . . . .	3,453,514	—17.2
Bartlesville, Okla. . . . .	3,341,993	
Independence, Kans. . . . .	2,751,122	
Hastings, Neb. . . . .	2,357,771	—33.8
Atchison, Kans. . . . .	2,199,178	—37.9
Pittsburg, Kans. . . . .	2,137,445	—12.2
Fremont, Neb. . . . .	2,052,776	—41.8
McAlester, Okla. . . . .	1,989,792	—30.5
Guthrie, Okla. . . . .	1,410,256	—46.3
Lawton, Okla. . . . .	1,398,997	— 8.8
Parsons, Kans. . . . .	1,371,904	—25.2
Lawrence, Kans. . . . .	1,369,908	—25.2
Miami, Okla. . . . .	901,115	—63.2
Emporia, Kans. . . . .	353,691	—29.9
Total, May, 1921 . . . . .	\$1,164,832,151	*—31.9
Total, May, 1920 . . . . .	1,688,656,604	

\*Percentage computed on cities reporting for both years.

**BUSINESS FAILURES IN MAY**

Insolvencies in the Tenth Federal Reserve District in May numbered 67 with \$1,073,219 as the amount of liabilities involved. In the number of failures the Tenth Reserve District was next to the lowest of the twelve Districts, exceeding the Ninth District total by 8. In liabilities, however, the Tenth District stood at the bottom of the list, its total being \$130,177 below the total for the Ninth District.

	Number		Liabilities	
	1921	1920	1921	1920
First . . . . .	97	52	\$ 2,783,066	\$ 376,586
Second . . . . .	222	133	11,172,495	2,413,591
Third . . . . .	69	37	1,516,894	1,085,182
Fourth . . . . .	102	42	1,969,231	2,544,273
Fifth . . . . .	99	41	2,657,764	1,577,684
Sixth . . . . .	148	44	4,750,423	715,555
Seventh . . . . .	169	60	5,624,522	692,450
Eighth . . . . .	101	13	20,612,058	61,243
Ninth . . . . .	59	18	1,203,396	163,487
TENTH . . . . .	67	16	1,073,219	179,251
Eleventh . . . . .	92	15	1,851,774	168,165
Twelfth . . . . .	131	76	1,851,629	848,810
Total, May . . . . .	1,356	547	\$57,066,471	\$10,826,277

In the following is given the number and liabilities of May failures in the United States by separate classes, with the April returns for purposes of comparisons:

	Number		Liabilities	
	May	April	May	April
Manufacturing . . . . .	294	337	\$13,566,725	\$14,111,238
Trading . . . . .	988	1,063	19,351,037	17,066,816
Agents, Brokers, etc. . . . .	74	87	24,148,709	7,389,715



**MERCANTILE.**

A good many decidedly favorable symptoms are contained in the reports from the various lines of trade, yet improvement is slow and irregular, suggesting that complete readjustment has not yet been affected. Sales by wholesalers to retailers, while showing improvement in May over April, are generally running below the sales of May of last year, this being largely due to recent price reductions. Traveling men report merchants in many sections greatly in need of goods but still holding off expecting lower prices. Following is a summary of the wholesale reports received for the Monthly Review showing percentage changes in sales in May compared with sales in April of this year and May of last year:

	Sales in May, 1921, compared with	
	April, 1921	May, 1920
Dry Goods . . . . .	15.6%	-44.8%
Groceries . . . . .	- 0.8	-26.5
Hardware . . . . .	- 8.	-31.2
Harvest and Hays Tools . . . . .	50.	-70.
Furniture . . . . .	-12.7	-17.1
Drugs . . . . .	- 5.4	-21.9
Jewelry . . . . .	25.	-28.
Stationery . . . . .	-28.	-29.3
Auto Supplies . . . . .	12.	-30.

Two large nationally known manufacturers report sales of automobile tires in May were better in the cities than in April but not quite so good in the country districts. Sales in May were in money volume 48% less than in May, 1920, but in units only 30% less than in the same month last year. Figures for May were adversely affected by the necessity of re-bating on account of price declines under the guarantee, these declines amounting to 20% on May 2. In the first half of June sales picked up materially and were reported as practically double the sales for the first half of May. Manufacturers in the stationery line report sales in May 2% better than in April but 46% below last year's sales for the same month.

**Retail.**—The state of retail trade in the cities of this district is fairly well reflected by the department store reports. Fifteen stores reporting show sales in money

**SUMMARY OF DEPARTMENT STORES REPORTS FOR MONTH OF MAY IN THE TENTH FEDERAL RESERVE DISTRICT**

Percentage increase (or decrease) of net sales during May, 1921, over net sales during same month last year . . . . .	— 5.3
Percentage increase (or decrease) of net sales from January 1, 1921, to May 31, 1921, over net sales during same period last year . . . . .	— 3.8
Percentage increase (or decrease) of stocks at close of May, 1921, over stocks at close of same month last year . . . . .	—19.8
Percentage increase (or decrease) of stocks at close of May, 1921, over stocks at close of April, 1921. . . . .	— 4.3
Percentage of average stocks, selling price, at close of each month this season (commencing with January 1) to average monthly net sales during the same period . . . . .	359.2
Percentage of outstanding orders (cost) at close of May, 1921, to total purchases (cost) during the calendar year, 1920 . . . . .	3.9
Percentage of collections during month of May, 1921, on amount of outstanding accounts on April 30, 1921 . . . . .	48.9
Percentage of collections for same period last year. . . . .	51.4

volume in May were 5.3% less than in the corresponding month last year while sales for the season January 1 to June 1 averaged 3.8% less than for the same period last year. Sales of shoes in May averaged 16.2% above sales in the same month last year and were 13.6% larger from January 1 to June 1 than for the same period of 1920. Men's clothing sales fell 34% below the month's sales last year, due chiefly to the cut in prices.

The reports of a number of retail stores in cities of the second class in the district indicate May sales were 1.2% below April sales and 14.5% below May, 1920. In the reports mention is made of an improvement in early June, due to favorable crop prospects.

**BUILDING OPERATIONS.**

The reports for eighteen cities of the Tenth Federal Reserve District reflect greater construction activity in May than in any other month of the present year, both in the number of permits issued and the estimated value of the buildings. It is also noted that May is the first month of the year to show an increase in the estimated value of buildings for which permits were issued as compared with the corresponding month in 1920. Sixteen of the eighteen cities reported larger number of permits issued in May, 1921, than were issued in the same month last year, only two showing a smaller number of permits. The following table gives the number of permits issued in May with the estimated value of buildings and the percent of increase or decrease as compared with the same month last year:

	Permits	Est. Value	Pct. Change
Tulsa, Okla. . . . .	232	\$1,056,050	44.4
Kansas City, Mo. . . . .	475	1,008,500	— 6.8
Wichita, Kans. . . . .	238	960,622	297.8
Denver, Colo. . . . .	664	807,475	18.9
Omaha, Neb. . . . .	196	788,709	—44.5
Oklahoma City, Okla. . . . .	201	537,550	102.6
Casper, Wyo. . . . .	162	445,230	192.6
Kansas City, Kans. . . . .	87	176,510	162.
Okmulgee, Okla. . . . .	69	161,110	—46.6
Lincoln, Nebr. . . . .	75	141,602	35.2
Muskogee, Okla. . . . .	43	131,745	— 2.1
St. Joseph, Mo. . . . .	112	98,795	—37.7
Topeka, Kans. . . . .	92	96,833	—83.4
Pueblo, Colo. . . . .	65	67,755	—67.1
Colorado Springs, Colo. . . . .	106	63,133	23.4
Cheyenne, Wyo. . . . .	35	28,715	—87.3
Leavenworth, Kans. . . . .	13	20,000	185.7
Joplin, Mo. . . . .	12	10,200	—46.1
May, 1921 . . . . .	2,877	\$6,600,552	2.5
May, 1920 . . . . .	2,065	6,436,060	

The total number of permits issued in the cities reporting for the first five months of 1921 were 10,629 as compared with 9,153 in the same five months last year. The estimated value of buildings for the five month period this year is \$25,057,640 as compared with \$37,395,175 in the first five months of 1920. The larger number of permits issued this year with the smaller valuation indicates that residential building continues to lead and is taking preference over other classes. The demand for new construction, however, continues very strong throughout all this district. Wage disputes have been in process of adjustment in nearly all of the cities and building activities of 1921 have apparently not reached the height which otherwise could be expected.

## THE CROPS IN JUNE

Rains, varying from copious showers to torrential downpourings, are reported this month from all sections of the Tenth Federal Reserve District. Rains usually are plentiful in the spring months with the maximum in May, but June this year has proved to be the month of greatest precipitation. While floods in many streams have damaged crops in low lands, and while farm work has been retarded to a considerable extent here and there, the June rainfall has supplied the moisture needed to "make" the wheat, rye, barley and oats crops and to help the fall crops through the dry season that usually follows May. The reports from all states indicate that farm conditions are much improved. In many sections crops have seldom made more rapid progress and the general outlook for crops in this district is now better than before the rains began.

**Winter Wheat.**—The harvesting of winter wheat began in the southern sections early in June with binders and headers busy between showers. It moved northward during the first half of the month and at the date of this Review harvesting was general throughout Oklahoma and the southern half of Kansas and Missouri, while the grain was maturing as far north as Nebraska.

The Government estimates of June 1 placed the probable winter wheat crop of the United States at 578,196,000 bushels as compared with 577,763,000 bushels threshed last year. The reports from the states of the Tenth Federal Reserve District, however, indicate that the crop will fall below that of 1920. According to various official estimates the district will yield between 215,000,000 and 235,000,000 bushels, which compares with 272,370,000 bushels threshed in 1920. The reports reflect a marked deterioration in the condition of winter wheat during the month of May, due to unfavorable weather conditions, damage from the freeze at Easter time, and from rust and insects.

The decline in condition between the reporting dates May 1 and June 1 was the most marked in Kansas, the state of largest wheat production, but a notable drop is also recorded for Nebraska and Oklahoma, both large wheat producers. The following is a tabulation of the reports of the State-Federal Crop reporting service for the states of this district showing the per cent of condition of winter wheat on June 1 compared with the May 1 condition, the probable acreage for harvest and estimated yield on June 1 condition:

	Acres to Harvest	Condition		Est. Yield Bushels
		June 1	May 1	
Kansas . . . . .	9,516,000	60%	84%	102,773,000
Nebraska . . . . .	3,235,000	75	92	48,525,000
Oklahoma . . . . .	2,976,000	70	84	35,206,000
Missouri (19 counties). . . . .	612,720	82	84	9,396,000
Colorado . . . . .	950,000	89	90	16,188,000
Wyoming . . . . .	61,000	85	92	1,097,350
New Mex. (10 counties)	85,000	75	87	1,280,000
Total 10th Dist.				
June 1 . . . . .	17,435,720	67%	85.8%	214,465,350
Total 10th Dist.				
1920 Final . . . . .	16,007,000			272,370,000

Estimates based on assessor's reports in Kansas indicate approximately 1,000,000 more acres than above reported, which may add about 10,000,000 bushels to the total Kansas estimated yield. A similar situation is reported in Oklahoma where the census reports show 1,000,000 acres more wheat than the Government estimates, and which may increase the estimated yield for that state to approximately 45,000,000 bushels.

**Spring Wheat.**—Good stands of spring wheat are reported generally and the growth is also reported as satisfactory. The spring wheat acreage this year is about the same as in 1920, or around 600,000 acres. June 1 condition in Nebraska was reported at 75% and in Wyoming 98%, indicating 2,858,000 bushels in Nebraska and 4,290,000 bushels in Wyoming.

**Oats.**—Due largely to poor growing weather in April, dry weather in May, rust and some insect damage, the June condition of oats in a large part of this district is the poorest in recent years. Kansas, Oklahoma, Nebraska and Wyoming, with a combined acreage of 6,600,000 acres, report an estimated crop of 158,990,000 bushels, as compared with 210,839,000 bushels on 6,441,000 acres last year.

**Barley.**—The States of Kansas, Nebraska, Oklahoma and Wyoming forecast a crop of 23,149,000 bushels, on 1,271,000 acres which is 9,672,000 bushels less than was produced in 1920 on practically the same acreage. The condition of rye is reported at 96% in Wyoming, 90% in Nebraska, 78% in Oklahoma, 75% in Kansas and 90% in Colorado. This would indicate a total of about 8,000,000 bushels in the five states compared with the final total for 1920 of 7,606,000 bushels.

**Corn.**—The condition of corn in Oklahoma is excellent and wonderful growth has been made during the early part of June with prospects fine for a good crop. Some corn is laid by in that State. In parts of Kansas corn got a bad start, the planting and germination being delayed by cold weather at the end of April and the first part of May. In Nebraska the report says corn was damaged in some sections by heavy rains but in general the stand and condition is very good. In Missouri a high average condition ranging from 76% to 96% is reported in the northwestern counties while in the extreme southwestern counties the condition ranged from 63% to 74%. The official report of the acreage of corn planted for this year with per cent of condition will be made public in July.

**Cotton.**—The cotton crop in Oklahoma is making fine progress and the condition June 1 was reported at 74% of normal, which is 4 points better than last year. Taken as a whole, the crop this season has started out better than it did in 1920 and most fields are clean and well cultivated with chopping progressing favorably. The July crop reports will give the 1921 acreage and estimated production.



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

	Kansas City		Omaha		Wichita		St. Joseph		Four Markets	
	May, 1921	May, 1920	May, 1921	May, 1920	May, 1921	May, 1920	May, 1921	May, 1920	May, 1921	May, 1920
RECEIPTS										
Wheat . . . . .	7,352,100	4,158,000	2,325,600	1,496,400	1,502,400	976,840	784,500	750,000	11,964,600	7,381,240
Corn . . . . .	973,750	877,500	1,771,000	1,507,800	108,000	39,000	753,000	670,500	3,605,760	3,094,800
Oats . . . . .	340,000	384,200	722,000	1,140,000	12,000	7,000	78,000	78,000	1,152,000	1,609,200
Rye . . . . .	9,900	41,800	41,800	84,700	.....	3,000	.....	.....	51,700	129,500
Barley . . . . .	87,000	138,000	50,400	39,600	.....	20,000	28,000	.....	165,400	197,600
Kaffir . . . . .	301,400	540,100	.....	.....	8,000	91,000	28,500	.....	337,900	631,100
SHIPMENTS										
Wheat . . . . .	5,193,000	4,004,100	1,900,800	1,651,200	760,000	487,000	453,000	340,500	8,306,800	6,482,800
Corn . . . . .	1,298,750	393,750	1,593,200	1,754,200	75,000	32,000	700,500	471,000	3,667,450	2,650,950
Oats . . . . .	424,500	262,500	598,000	1,180,000	12,000	7,000	46,000	24,000	1,080,500	1,473,500
Rye . . . . .	20,900	31,900	46,200	52,800	.....	3,000	.....	.....	67,100	87,700
Barley . . . . .	97,500	85,800	37,800	37,800	.....	20,000	3,500	.....	155,300	127,100
Kaffir . . . . .	428,000	240,000	.....	.....	8,000	91,000	.....	.....	436,000	331,000

GRAIN MOVEMENT

Heavy receipts of last year's wheat crop at the markets of this district during the five months of 1921, now passed, have materially reduced the large surplus of wheat on farms and, with continued liberal receipts during June reported, it is indicated that by the time the new 1921 wheat begins to arrive stocks of old wheat will have been reduced to but little above the normal carry over. The reports for the Kansas City and Omaha markets show that approximately 109,000,000 bushels of wheat have been received during the eleven months July, 1920, to May, 1921, inclusive, which is approximately 13,500,000 bushels more than were marketed during the eleven months following the 1919 harvest.

May receipts of wheat at four markets, Kansas City, Omaha, St. Joseph and Wichita, totaled 11,964,000 bushels, which was 4,583,360 bushels or 62% above the receipts for the same month last year. Oats received totaled 1,152,000 bushels or 475,000 bushels less than in May of last year. Receipts of rye, barley and kaffir were perceptibly less in May than in the same month last year.

Price changes are indicated by the following which shows the average cash prices of grain at Kansas City in cents per bushel at the dates mentioned:

	May 20	June 3	June 17
<b>Wheat</b>			
No. 2 Dark Hard . . . . .	160	162½	155
No. 2 Hard . . . . .	152¾	158¾	140
No. 2 Red . . . . .	157	157¾	134
<b>Corn</b>			
No. 2 White . . . . .	57½	58¾	59
No. 2 Yellow . . . . .	56	58	57
No. 2 Mixed . . . . .	53¾	57½	56½
<b>Oats</b>			
No. 2 White . . . . .	40	41¼	38½

FLOUR PRODUCTION

Mills at Kansas City and Omaha and eighty-two interior mills in Missouri, Kansas, Nebraska and Oklahoma produced 1,137,435 barrels of flour in the four weeks ending May 28. This is 55,646 barrels less than the production in the previous four-weeks period this year and 218,063 barrels or 16.1% below the production in the corresponding four weeks in May of last year. The following shows the number of barrels of flour produced in the four weeks May period with percent of change from a corresponding period in 1920:

	Barrels	Pct.
Kansas City . . . . .	247,750	-10.9
Omaha . . . . .	48,435	- 4.3
82 Mills . . . . .	841,250	-18.1
Total . . . . .	1,137,435	-16.1

Flour receipts at Kansas City in May were 55,900 barrels and for the same month last year were 64,350 barrels. Shipments of flour in May were 106,925 barrels compared with 255,775 barrels in May, 1920.

LIVE STOCK

The condition of all classes of live stock continues to range from good to excellent. The loss of lambs, calves and pigs has been small and all young stock are generally reported to be exceptionally strong and vigorous. Considerable hog cholera is reported in Nebraska. Meadows and pastures are thriving and are in excellent condition. Alfalfa and clover were damaged severely by frost and freezing and the first crop was light in some sections, especially in Kansas and Oklahoma, although the second growth is doing well.

**Market Movements.**—Receipts of live stock at the markets continue heavy. May receipts of 360,526 cattle at six markets were 10.2% larger than the April receipts but were 9% less than the receipts in May, 1920. Receipts of calves in May were 43.2% larger than in April and 19.9% larger than in the same month last year. Hogs, numbering 767,571 in May, were 17.6% above the April receipts and 22.6% less than the receipts in May, 1920. The marketing of sheep in May totaled 465,131 head, 19.1% below the total for April but 24.2% above May receipts last year. The movement of horses and mules to market in May was considerably lighter than in the previous month this year and only about one-half of the number marketed during the corresponding month in 1920.

	Cattle	Calves	Hogs	Sheep	Horses & Mules
Kansas City . . . . .	148,693	18,146	255,317	192,320	2,350
Omaha . . . . .	100,588	3,756	238,444	139,273	334
St. Joseph . . . . .	33,140	4,569	139,685	64,023	398
Denver . . . . .	37,325	3,621	36,984	58,164	367
Oklahoma City . . . . .	17,542	4,652	48,078	2,280	37
Wichita . . . . .	23,238	2,678	49,063	9,071	744
May, 1921 . . . . .	360,526	37,422	767,571	465,131	4,230
April, 1921 . . . . .	327,164	26,134	652,304	575,185	5,195
May, 1920 . . . . .	397,977	31,196	991,672	374,325	8,968

**Prices.**—Only slight changes in the market prices of live stock are reflected by the following which shows the range at Kansas City at the dates mentioned:

	May 24	June 7	June 17
Hogs, bulk sales.....	\$7.80@8.25	\$7.25@ 7.60	\$7.60@ 7.80
Beef steers, choice....	7.75@8.75	8.00@ 8.85	7.85@ 8.70
Butcher cattle,			
Common to choice..	5.00@7.60	4.35@ 7.25	4.25@ 7.40
Feeder steers,			
Common to choice..	6.25@7.75	6.10@ 7.75	6.10@ 7.85
Stocker steers,			
Common to choice	4.25@7.35	4.15@ 7.25	4.00@ 7.25
Lambs, med. to choice.	8.75@9.85	9.75@12.00	7.75@10.50
Sheep, med. to			
prime yearlings . . .	6.75@8.75	6.50@ 9.75	5.00@ 8.75

**Meat Packing.**—Purchases by packers of cattle and calves for slaughter in May exceeded purchases in April and also in the corresponding month last year. Nearly 100,000 more hogs were slaughtered in May than in April, though the May record was 114,000 below the month a year ago. Sheep slaughtered were 110,000 less than in April and 91,000 more than in May, 1920. The purchases by packers for May at the six centers are given here:

	Cattle	Calves	Hogs	Sheep
Kansas City . . . . .	75,924	15,806	216,673	135,444
Omaha . . . . .	70,113	1,593	185,630	115,626
St. Joseph . . . . .	21,450	4,409	121,058	56,812
Denver . . . . .	8,845	2,249	34,615	10,683
Oklahoma City . . . .	9,133	4,137	45,372	1,282
Wichita . . . . .	4,335	889	45,604	779
May, 1921 . . . . .	189,600	29,083	648,952	320,626
April, 1921 . . . . .	182,095	19,875	551,258	352,223
May, 1920 . . . . .	182,993	24,529	762,692	237,202

Packers report that under the surface of things the industry made some improvement in May. A healthy foreign trade with further adjustment of international affairs is pointed out as giving encouragement to the situation. Demand was generally good in the beef and pork branches of trade, especially for cured meats, with prices strengthened.

## PETROLEUM.

Crude oil has been flowing from wells in Kansas and Oklahoma since middle May at an average considerably above 400,000 barrels a day and the volume is now very close to the high peak of productivity of last year. Developments are going on in many fields regardless of efforts put forth by producers and refiners to check operations and, if possible prevent great overproduction, especially at this time when stocks in the two states are close to 60,000,000 barrels, tanks are practically all full, pipe line capacity is limited, and crude oil prices are at the lowest since before the war.

Production in Kansas reached 100,000 barrels a day in the week ending June 3. Subsequent reports indicate that there has been a steady increase and at this date Kansas is close to the high mark of 105,000 barrels per day recorded for that State in the third week of December last year. Oklahoma outside wells were flowing oil at the rate of 223,500 barrels a day on June 3, which was 33,500 barrels more per day than was produced in the corresponding week last year. In the Cushing and Shamrock district the flow on June 3 was 26,750 barrels per day or 10,800 barrels

less than at the same date in 1920 but in the Healdton and Hewitt fields the daily average for the week ending June 3 was 58,500 barrels or 8,500 barrels more than in the same week in 1920.

The following estimates based on reports from the various fields in Kansas and Oklahoma which are accepted in advance of the official United States Geological Survey reports indicate the daily average number of barrels produced during the week ending at the dates mentioned, with figures showing the daily average for the corresponding weeks in 1920:

Week Ending	Daily Average 1921	Daily Average 1920
May 20 . . . . .	400,750	365,500
May 27 . . . . .	402,750	368,000
June 3 . . . . .	408,750	369,500
June 10 . . . . .	412,250	379,000
June 17 . . . . .	412,500	382,000

It is estimated that in the thirty-one days of May approximately 12,360,000 barrels of crude oil were produced in Kansas and Oklahoma, the daily average for the month being about 366,000 barrels. To this large May production is to be added the total for Wyoming which is around 58,000 barrels per day or a total for the month of approximately 1,800,000 barrels.

Development operations in Kansas, Oklahoma and Wyoming showed an increase in both number of wells completed and daily new production in May over April, although May, 1921, record is far below that for the same month of 1920. The figures on developments follow:

	Wells Completed	Bbls. Daily New Prod'n.	Rigs & Wells Drilling
Kansas . . . . .	109	10,837	306
Oklahoma . . . . .	580	67,034	1,489
Wyoming . . . . .	25	9,590	629
May, 1921 . . . . .	714	87,461	2,424
April, 1921 . . . . .	588	65,147	2,426
May, 1920 . . . . .	1,277	102,315	3,190

Reduction in prices of crude oil in the past thirty days have been frequent and have brought all grades of Kansas and Oklahoma crude to around \$1 per barrel with Healdton down to 75 cents. Wyoming crude has suffered similar cuts and is around \$1 per barrel, several grades selling below that figure. As a result the petroleum industry is considerably depressed.

The steadily increased production in crude oil and accumulation of refinery products have caused revisions of prices of refined petroleum and petroleum products in general. Prices are now lower than for many months. June 1 prices on kerosene and gasoline announced by the Standard Oil Company, the Magnolia Petroleum Company and the Continental Oil Company were for the cities named as follows:

	Gasolene		Kerosene	
	Tank Wagon	Service Station	Tank Wagon	
Kansas City . . . . .	18.7c	19.7c	9.5c	
St. Joseph . . . . .	19.8	20.8	10.2	
Omaha . . . . .	18.5	19.5	9.5	
Wichita . . . . .	19.5	20.5	10	
Tulsa . . . . .	19	21	11	
Oklahoma City . . . .	19	21	11	
Denver . . . . .	21	23	15	
Pueblo . . . . .	24	26	15	
Casper . . . . .	22	23	12.5	
Cheyenne . . . . .	23.5	25.5	14	



**COAL MINING.**

Production of bituminous coal in the United States from January 1 to June 1 continued far below production in the first five months of last year and in fact of the five previous years. According to the United States Geological Survey report 160,513,000 net tons were produced in the first 126 working days of 1921. This total compares with 207,749,000 tons produced in the corresponding five months of 1920. It is also 11,000,000 tons behind 1919 when demand was low and the carry over from the preceding season was the greatest on record.

In the coal mining states of this district the reports indicate that the mines were operated in May at an average of 50.9% of their capacity. Oklahoma showed the largest per cent of operation to capacity which was 59.4%. In Kansas it was 52.6%, in Missouri 46.6% and in Colorado 42.3%. Losses of operation were chiefly due to no market. Strikes, labor shortage and transportation difficulties figured very lightly in the summary of losses of operation which follow:

	Colo.	Kans.	Mo.	Okla.	Dist. Av.
Transportation					
Disability . . . . .	.1%	.5%	.9%	...	.4%
Labor Shortage . . . . .		9.5	1.4	.4	2.8
Strikes . . . . .	.1	6.3	2.2	1.1	2.4
Mine Disability . . . . .	1.7	9.3	1.4	.6	3.2
No Market . . . . .	38.8	25.0	47.3	38.4	37.5

Coal markets have shown little change in recent weeks. Consumers who use steam coal are buying for actual needs. Very little coal is being stored, although a few householders are beginning to put in their winter's supply. The railroads are showing no disposition to renew contracts which expired on April 1 and are buying in the open market sufficient coal for their needs. Retail dealers anticipate a big rush in the late summer and fall season but they are apparently in no hurry to lay in stocks to meet such a demand.

**COLORADO METAL MINES.**

Metal mining conditions in Colorado continue quiet. There is a little prospecting and development work starting up, but not as much as there would be at this time of year in normal times. Efforts are being made to secure a reduction in freight rates and in the cost of certain supplies which will help those operators who are still working. No general revival, however, is looked for until there is a considerable rise in the price of base metals. An exception to the above must be noted in connection with Cripple Creek, where production continues to increase slowly.

**ZINC AND LEAD**

At the beginning of May when the price of zinc ore reached \$26.00 per ton several operators in the Missouri-Kansas-Oklahoma district began to make preparations for reopening their properties, and several mines have been reopened. However, with the decline in the price paid for zinc in May, together with a \$5.00 decrease in the price per ton of lead, the number was not so great as would have been had the price remained fixed at the same level as at the beginning of the month. There is a little drilling activity in the district, this being mainly to locate shal-

low deposits of lead ore which can be mined profitably at the present price paid.

The month of May opened with zinc selling at \$26.00 per ton and closed at \$22.50. Total shipments of zinc for the month were 21,688 tons, which compares with 26,024 tons for the month of April and 48,513 tons for May last year. The value of this tonnage for May was \$520,543, with an average price for the entire month of \$24.00. There were no shipments whatever of calamine during May.

The month opened with an average price for all grades of lead ore of \$57.46, and the following week the price went to \$60.00, then took a drop of \$5.00, at which price it remained for the balance of the month. The total shipments made of lead ore during the month were 5,746 tons, with an average for the entire month of \$57.02, and a value of \$329,064. This compares with 5,998 tons shipped in April, with an average of \$46.20.

There was an increase in the surplus stocks held by the producers over the previous month. It is estimated that there is now held in the district 1,000 tons of lead and approximately 71,000 tons of zinc blende.

**LUMBER AND MATERIALS.**

Manufacturers and wholesalers of lumber report some declines in demand for virtually all species of structural woods, though the lull has not as yet affected prices prevailing this season, which are considerably below those of one year ago. Retail yards are buying very little beyond their immediate requirements. Current conditions in the brick manufacturing industry are unsettled, but this situation is slowly improving and some manufacturing plants are increasing operations. Cement plants are operating at well up to capacity and the product is in fair demand.

**CONDITION OF 82 SELECTED MEMBER BANKS**

	June 8, 1921	May 4, 1921
1. Loans and Discounts (exclusive of rediscounts):		
(a) Secured by U. S. Govt. obligations . . . . .	\$ 17,896,000	\$ 18,995,000
(b) Secured by stocks and bonds other than U. S. Bonds . . . . .	71,847,000	72,189,000
(c) All other . . . . .	346,071,000	349,795,000
2. Investments:		
(a) U. S. Bonds . . . . .	32,503,000	32,282,000
(b) U. S. Victory Notes . . . . .	3,117,000	2,858,000
(c) U. S. Cert. of Indebt. . . . .	6,373,000	5,660,000
(d) Other bonds, stocks and securities . . . . .	47,355,000	46,723,000
3. Total loans and discounts, and investments . . . . .	525,162,000	528,502,000
4. Reserve bal. with F. R. Bk. . . . .	40,944,000	40,020,000
5. Cash in vault . . . . .	12,581,000	12,879,000
6. Net demand deposit on which reserve is computed . . . . .	370,453,000	374,876,000
7. Time deposits . . . . .	105,955,000	104,560,000
8. Government deposits . . . . .	602,000	3,568,000
9. Member banks' collateral notes secured by:		
(a) U. S. Govt. obligations . . . . .	9,455,000	15,232,000
(b) All other . . . . .	53,000	None
10. Bills discounted for member banks secured by:		
(a) U. S. Govt. obligations . . . . .	3,430,000	3,086,000
(b) All other . . . . .	35,549,000	37,207,000
Total (items 3 to 10 incl.) . . . . .	\$1,104,184,000	\$1,119,930,000

Statement of Condition  
**FEDERAL RESERVE BANK OF KANSAS CITY**  
 Including Branches  
 At Close of Business June 15, 1921

RESOURCES

Gold Coin and Certificates.....	\$ 2,038,046.72
Gold Settlement Fund F. R. Board.....	35,881,978.06
Gold with Federal Reserve Agent.....	34,073,750.00
Gold Redemption Fund.....	3,228,824.75
Legal Tender Notes, Silver, Etc.....	3,399,701.95
Bills Discounted:	
Secured by Govt. Obligations.....	22,580,250.17
All Other.....	54,257,901.53
Bills Bought in Open Market.....	25,000.00
U. S. Bonds and Notes.....	8,867,850.00
One Year Cert. of Indebtedness (Pittman Act)	8,320,000.00
All Other Cert. of Indebtedness.....	78,500.00
Bank Premises.....	2,649,087.73
5% Redemption Fund Against F. R. Bk. Notes	915,590.00
Uncollected Items.....	53,023,455.86
All Other Resources.....	543,506.61
<b>Total Resources.....</b>	<b>\$229,883,443.38</b>

LIABILITIES

Capital Paid In.....	\$ 4,354,950.00
Surplus.....	9,158,814.24
Reserved for Government Franchise Tax....	1,494,283.21
Deposits:	
Government.....	6,012,177.36
Member Banks, Reserve Account.....	72,280,906.38
All Other.....	1,301,238.81
F. R. Notes in Actual Circulation.....	80,215,585.00
F. R. Bank Notes in Actual Circulation.....	12,738,700.00
Deferred Availability Items.....	40,817,916.67
All Other Liabilities.....	1,508,872.71
<b>Total Liabilities.....</b>	<b>\$229,883,443.38</b>

OTHER TOTALS

Total Gold Reserves.....	\$ 75,222,599.53
Total Earning Assets.....	94,129,501.70
Total Deposits.....	79,594,322.55
Ratio of Total Reserve to Deposit and F. R. Notes Liabilities Combined.....	49.1%
Ratio of Gold Reserve to F. R. Notes in actual circulation after setting aside 35% against Deposit Liabilities.....	63.2%

CLEARINGS

Total Clearings for Week.....	\$166,490,768.03
Total Number of Items Handled.....	1,196,844