

# 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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### HIGH LIGHTS ON THE SITUATION IN THE TENTH FEDERAL RESERVE DISTRICT

Wheat arrivals in July and August at Kansas City, Omaha, St. Joseph and Wichita 62,744,700 bushels, equal to 25.1% of total wheat production in the District and 124.6% more than arrivals at the same markets in July and August, 1920.

Flour manufactured in July and August at Kansas City, Omaha and 82 interior mills 4,331,145 barrels, 71.7% more than manufactured in corresponding two months last year.

U. S. crop summary for September 1 raised corn yield for the District 17,783,000 bushels to a total of 487,283,000 bushels, which is 15.3% of the Nation's corn crop and 10.2% less than the District's corn crop of 1920.

Final estimate on wheat crop in the District 249,950,000 bushels, 32.9% of the Nation's 1921 wheat crop and 11.4% less than last year's crop.

Live stock receipts in August at Kansas City, Omaha, St. Joseph, Denver, Oklahoma City and Wichita: cattle 508,052, hogs 509,417, sheep 761,849. Compared with August last year: cattle increase 6.6, hogs increase 11.5%, sheep decrease 8.9%.

Packers' purchases in August at six markets: cattle 237,891, increase over August last year 5.8%; calves 44,352, decrease 21.8%; hogs 406,410, increase 17.6%; sheep 407,012, increase 26.3%.

Sheep on mountain ranges estimated at one-third short of normal supply.

Crude oil production running well above 400,000 barrels per day in Kansas and Oklahoma, though a big decrease in new developments is reported.

Coal mining still lagging behind last year, mines in District operating at 52.7% of full time in August.

Lead and zinc mining unchanged.

Telluride and Cripple Creek metal mining districts report near normal activity; operations at a low stage in other districts.

Building permits in seventeen cities of the District in August 2,762, estimated cost \$7,661,119, increase over August, 1920, of 54.8% in number of permits and 93.8% in cost of construction.

Wholesale trade in August largest of any month in 1921 to date, but money value of merchandise sold was below August, 1920.

Retail sales in August in cities of the District averaged 8.9% below August 1920, in money value of goods.

Employment situation slightly improved.

**A**N enormous volume of products of farms and ranges moving through market channels this season has tended to strengthen the demand for currency and credit in the Tenth Federal Reserve District. Rates, however, have in no manner been affected, as it is apparent that ample loanable funds are available for all requirements. Crop money flowing countryward since harvest time has eased the situation in the wheat sections very perceptibly and the reports from country banks indicate that liquidation of loans is proceeding there very rapidly.

The task of financing a movement of wheat and flour which is more than double the volume of last year's movement, in addition to providing for the movement of other crops and an extraordinary run of live stock, requires as much if not more money and credit than was required last year even though prices of all products are materially lower than they were a year ago. Thus, while the farmers are getting out of debt, cutting down production costs and otherwise readjusting their affairs to enable them to squarely meet new conditions, debt reduction in other lines at this particular time is not proceeding at as high percentage as earlier in the year.

Notable among the new financial movements of the season is that of the War Finance Corporation which, under authority of Congress, is proceeding systematically to render aid to the agricultural and live stock industries of this district, as well as the entire country, in a manner not provided for by the Act creating the Federal Reserve System. An agency of the Corporation is to be established in Kansas City.

The statement of the Federal Reserve Bank of Kansas City at the close of business on September 14th showed a slight reduction in the volume of loans to member banks in the past month. The total of all bills discounted, including open market purchases of bills, on that date was \$66,378,525 as compared with \$67,213,281 on August 17th. The deposits on the last reporting date amounted to \$75,725,321, or \$60,827 less than they were at the middle of August. The ratio of total reserves to deposits and Federal Reserve notes liabilities combined was 57.5% as compared with 59.6% four weeks previously.

The combined reports as of September 7th of 79 member banks, selected from all sections of the district, indicates a reduction from August 3rd of \$6,896,000 in loans, the total of September 7th being

\$427,730,000. Deposits on the first weekly reporting date in September amounted to \$378,076,000, which was \$5,790,000 more than was reported in the first week of August. Time deposits were \$99,913,000 or \$1,948,000 less than at the August date, while Government deposits in the same period were reduced from \$8,874,000 down to \$3,407,000.

**Bank Clearings.**—Thirty-two cities in the Tenth Federal Reserve District for the month of August reported clearings aggregating \$1,294,349,425, which was 29.9% less than the total clearings for the same cities in August last year.

Clearings of the Federal Reserve Bank of Kansas

#### BANK CLEARINGS FOR AUGUST, 32 CITIES IN TENTH FEDERAL RESERVE DISTRICT

	August, 1921	Pct. Change
Kansas City, Mo.	\$ 665,908,217	—31.1
Omaha, Neb.	164,935,947	—27.1
Denver, Colo.	118,303,070	—22.3
Oklahoma City, Okla.	102,638,435	—19.4
Wichita, Kans.	50,391,930	—23.9
St. Joseph, Mo.	43,249,503	—31.7
Tulsa, Okla.	24,515,970	—53.3
Kansas City, Kans.	17,971,018	—19.5
Hutchinson, Kans.	13,835,260	—27.2
Lincoln, Neb.	13,335,531	—41.2
Topeka, Kans.	12,462,099	—10.3
Muskogee, Okla.	9,643,834	—46.4
Enid, Okla.	9,386,808	
Cheyenne, Wyo.	5,412,916	—26.8
Colorado Springs, Colo.	4,898,796	— 6.3
Grand Island, Neb.	4,862,445	—25.2
Joplin, Mo.	3,779,000	—48.1
Pueblo, Colo.	3,630,514	— 9.8
Okmulgee, Okla.	2,792,093	—49.4
Bartlesville, Okla.	2,662,542	—38.3
Hastings, Nebr.	2,443,171	—34.2
Atchison, Kans.	2,401,502	—38.0
Pittsburg, Kans.	2,363,055	— 7.5
Independence, Kans.	2,213,849	
Fremont, Nebr.	2,062,708	—42.8
McAlester, Okla.	1,689,236	—28.2
Guthrie, Okla.	1,679,397	—50.8
Parsons, Kans.	1,348,551	—33.2
Lawton, Okla.	1,244,261	—22.3
Grand Junction, Colo.	928,959	— 9.9
Miami, Okla.	924,204	—56.6
Emporia, Kans.	434,604	—63.9

Total, August, 1921.....\$1,294,349,425 \*—29.9

Total, August, 1920.....1,830,535,221

\*Percentage computed on cities reporting for August of both years.

#### DEBITS BY BANKS TO INDIVIDUAL ACCOUNT FOUR WEEKS ENDING AUGUST 31

Atchison	\$ 4,820,000
Bartlesville	5,742,000
Cheyenne	7,666,000
Colorado Springs	11,694,000
Denver	126,242,000
Joplin	6,406,000
Kansas City, Kans.	12,076,000
Kansas City, Missouri	299,327,000
Muskogee	10,619,000
Oklahoma City	72,828,000
Omaha	169,763,000
Pueblo	17,996,000
St. Joseph	62,587,000
Topeka	12,785,000
Tulsa	55,031,000
Wichita	42,384,000

Four Weeks, 1921.....\$ 917,966,000

Four Weeks, 1920.....1,234,507,000

City for the week ending September 14th totaled \$200,792,123, with a total of 1,164,913 items handled. In the corresponding week in August, ending on the 17th, the clearings were \$160,899,197 with 1,060,687 items handled.

Debits by banks to individual account at sixteen reserve cities of this district were \$917,966,000 for the month of August, which represented a loss of 25.6% as compared with the total for August, 1920. This is regarded as a very favorable showing when the difference in prices between this year and last year on the products of all of the basic industries of this district is taken into consideration.

**Business Failures.**—There were 75 commercial failures involving \$966,896.00 in liabilities in the Tenth Federal Reserve District during the month of August, according to Dun's report. In the number of failures for the month the Tenth District was slightly ahead of the Third, Eighth and Ninth Districts, but the liabilities for the Tenth District were \$491,680.00 below the total for the next lowest district. The August record for the Tenth District compares with 48 failures and \$1,056,534.00 liabilities in July, and 11 failures with a total of \$85,735.00 liabilities in August, 1920.

Business failures in the United States in the month of August this year were 1,562 in number and the liabilities involved were \$42,904,409.00. Failures in the United States by Federal Reserve districts are shown in the following table with the record for August, 1920, for the purpose of comparison:

	Aug., 1921	Aug., 1920	Aug., 1921	Aug., 1920
	No.	No.	Liabilities	Liabilities
First	118	58	\$ 2,821,841	\$ 780,210
Second	216	179	9,685,653	15,009,838
Third	68	33	2,090,756	3,066,914
Fourth	137	70	5,183,707	1,347,045
Fifth	98	40	2,658,017	691,785
Sixth	198	42	4,489,443	2,605,429
Seventh	204	86	4,123,520	3,177,188
Eighth	67	31	2,200,012	288,672
Ninth	72	18	1,458,576	85,515
Tenth	75	11	966,896	85,735
Eleventh	137	33	1,991,284	411,027
Twelfth	172	72	5,234,704	823,537
Total	1,562	673	\$42,904,409	\$28,372,895

#### MERCANTILE

The improvement in wholesale trade which started at the end of May has continued in this district with a larger volume of business in August than in any previous month of the year, according to the reports to the Monthly Review. Retail merchants, however, as a rule, continue to buy only for their immediate wants. Deliveries of stocks continue good in most lines, although textiles are moving slowly from manufacturers to distributors. Collections are reported easier during the month of August than during the previous month this year.

Comparisons of sales at wholesale show a decrease of from 16% to 69% in the various lines as compared with sales in August of last year. This difference is more than offset in some lines by the heavily reduced prices of merchandise, so that the outgo, in quantity, of merchandise to retailers in some lines is larger than last year at this time. The following summary of re-

CONDITION OF RETAIL TRADE DURING AUGUST, 1921  
IN THE TENTH FEDERAL RESERVE DISTRICT

Based upon reports from 13 stores

	Kansas City (*3)	Denver (*3)	Other Cities (*7)	District (*13)
Percentage increase (or decrease) of net sales during August, 1921, over net sales during same month last year.....	Dec. 9.4	Inc. .7	Dec. 16.6	Dec. 8.9
Percentage increase (or decrease) of net sales from July 1, 1921, to August 31, 1921, over net sales during same period last year . . . . .	Dec. 10.1	Dec. 7.3	Dec. 18.1	Dec. 11.6
Percentage increase (or decrease) of stocks at close of August, 1921, over stocks at close of same month last year.....	Dec. 13.1	Dec. 13.9	Dec. 19.8	Dec. 15.1
Percentage increase (or decrease) of stocks at close of August, 1921, over stocks at close of July, 1921.....	Inc. 10.3	Inc. 13.2	Inc. 16.4	Inc. 12.7
Percentage of average stocks, selling price, at close of each month this season (commencing with July 1) to average monthly net sales, selling price, during the same period....	544.1	444.3	560.2	527.9
Percentage of outstanding orders (cost) at close of August, 1921, to total purchases (cost) during the calendar year, 1920 . . . . .	7.6	8.5	8.5	8.1
Percentage of collections during month of August, 1921, on amount of outstanding accounts on July 31, 1921.....	45.6	38.1	46.2	43.9
Percentage of collections for same period last year.....	45.9	38.8	47.1	41.5

\*Number of stores reporting.

ports shows the percentage of decrease or increase of sales by wholesalers in August as compared with July of this year and also as compared with August last year:

	Sales in August, 1921 compared to sales in	
	July, 1921	August, 1920
Automobile Accessories (2).....	10.5%	-20.8%
Drugs (3) . . . . .	5.9	-15.2
Dry Goods (3).....	29.1	-39.
Furniture (4) . . . . .	64.8	-36.1
Groceries (4) . . . . .	-7.2	-21.8
Hardware (3) . . . . .	5.2	-30.
Implements (2) . . . . .	-11.1	-69.9
Millinery (4) . . . . .	92.6	-16.1
Paints (2) . . . . .	-7.5	-42.1

Reports from retail houses in cities throughout the district vary as trade is affected by local conditions, but a general improvement is found by a summary of the reports. Using the department stores reports as an illustration it is noted that sales in dollars and cents in August for all stores reporting averaged 8.9% below those of August, 1920, although prices of merchandise sold over the counters in department stores are far below the prices in August, 1920, with which comparison of sales is made.

INDUSTRIAL.

The reports for August from the cities of the district show some improvement in the employment situation although little change is noted in the mining districts. The August survey on employment conditions by the Department of Labor showed the number of unemployed in cities of this district to be as follows:

Kansas City, Missouri.....	9,000
Kansas City, Kansas.....	4,000
St. Joseph . . . . .	5,000
Omaha . . . . .	8,000
Lincoln . . . . .	475
Topeka . . . . .	1,500
Athison . . . . .	1,000
Wichita . . . . .	None

In the cities named a considerable number of unemployed has come from railroad shops, building trades, milling industries and various lines of business connected with distribution, although a very large proportion of the unemployed are classed as drifters. The report says that in 13 of 30 cities reporting from

7 states of this section retail trade was said to be improving, 15 cities reporting in which only 2 showed a falling off. Cities reporting the improvement in business were in the agricultural region.

While there are few strikes in this district there are a number of wage controversies pending, notably, the question among railroad employees as to what action is to be taken in regard to the recent wage cut and changes in working rules. The announcement by four of the large packing concerns that they have adopted the American Shop Representation System by which employees in all departments meeting with company representatives may consider matters affecting working conditions, has brought forth opposition from the Butcher Workmen Union organization.

CONDITION OF 79 SELECTED MEMBER BANKS

	September 7, 1921	August 3, 1921
1. Loans and Discounts (exclusive of rediscounts):		
(a) Secured by U. S. Govt. obligations . . . . .	\$ 16,070,000	\$ 17,505,000
(b) Secured by stocks and bonds other than U. S. Bonds . . . . .	66,114,000	70,408,000
(c) All other . . . . .	345,546,000	346,713,000
2. Investments:		
(a) United States Bonds....	32,919,000	32,043,000
(b) U. S. Victory Notes....	2,483,000	3,057,000
(c) U. S. Cert. of Indebt....	160,000	11,684,000
(d) U. S. Treas. Notes.....	5,480,000	456,000
(e) Other Bonds, Stocks and Securities . . . . .	44,151,000	44,453,000
3. Total loans and discounts, and investments . . . . .	512,923,000	526,319,000
4. Reserve bal. with F. R. Bk...	41,909,000	38,572,000
5. Cash in vault.....	13,075,000	12,199,000
6. Net demand deposit on which reserve is computed.....	378,076,000	372,286,000
7. Time Deposits . . . . .	99,913,000	101,861,000
8. Government Deposits . . . . .	3,407,000	8,874,000
9. Member banks' collateral notes secured by		
(a) U. S. Govt. obligations..	8,441,000	9,278,000
(b) All other . . . . .	None	None
10. Bills discounted for member banks secured by		
(a) U. S. Govt. obligations..	1,622,000	2,237,000
(b) All other . . . . .	25,384,000	28,655,000
Total (items 3 to 10 incl.)....	\$1,084,750,000	\$1,100,281,000

## CROPS OF 1921

**Corn.**—The Government's September estimate of 3,185,876,000 bushels of corn for the United States indicates a total crop for the Tenth Federal Reserve District of approximately 487,283,000 bushels, which is an increase for this district of about 17,783,000 bushels over the estimate of August 1st. According to the Government's September figures, Nebraska will produce 223,173,000 bushels, or 5,239,000 bushels more than was indicated by the August 1st estimate. Kansas is reported to have gained 13,755,000 bushels during the month, and on September 1st the crop was estimated at 118,912,000 bushels. Missouri was scheduled to produce 206,372,000 bushels, or 24,735,000 bushels more than was estimated August 1st. This indicates a gain of approximately 5,871,000 bushels for the 19 counties of Missouri which are in the Tenth Federal Reserve District, giving those counties a total of 48,096,000 bushels. Oklahoma reported a loss of 4,171,000 bushels in August and is scheduled to produce 85,029,000 bushels. Wyoming and Colorado reported slight losses in corn production.

**Wheat.**—The wheat crop showed a decline in August of 3,000,000 bushels, and a total of 753,858,000 bushels is this year's crop for the United States. The estimates of September 1st showed no material change in the production of winter wheat in the states of this district, although a slight decline in spring wheat grown in the northwestern part of the district was reported. This indicates that the estimated production of all wheat in the Tenth Federal Reserve District will be close to 250,000,000 bushels compared with 282,060,000 bushels last year.

**Oats.**—The crop of oats in the United States will be short this year, the September report showing a decline of 46,920,000 bushels during the month with a total of 1,090,282,000 bushels as the forecast for the entire country, which is 435,773,000 bushels short of last year's crop. This district is expected to produce, according to these estimates, approximately 177,144,000 bushels, a loss on account of deterioration between August 1st and September 1st amounting to about 1,700,000 bushels. The reports indicate that the threshing of oats is about completed in the eastern portion of this district and yields are in many instances lighter than expected and the quality poor.

**Cotton.**—The United States Bureau of Markets and Crop Estimates and the State Board of Agriculture report the Oklahoma cotton crop 48% of normal on August 25th, or 19 points below the ten year average for that state. This figure forecasts a production of 474,000 bales. The final report for the 1920 season was 1,336,000 bales, equivalent to 500 pounds per bale. The forecast for the United States this year is 7,037,000 bales. The condition of the crop deteriorated in Oklahoma 20 points from the July 25th figure, due to the activities of the weevil, boll worm and army worm. Drought and hot winds added to the injury by insects. Bolls had opened prematurely in many instances and considerable shedding of squares and small bolls was reported. The south district, the most important in the cotton section of the state, is the worst affected and will have barely one-fifth of the crop.

**Potatoes.**—The prospects for the late Irish potato crop are generally fair to poor, due primarily to unfavorable weather conditions. Many poor stands and light settings of tubers are reported. The crop in Colorado is reported as good except in some dry land sections. In Missouri both yield and quality are poor. In Nebraska further deterioration of the farm potato crop was reported at the end of August. There was considerable injury from grub worm. The harvest of the late commercial crop is in progress, but yields are not as good as last year. The Kansas crop has fallen below that of last year, both yield and quality being affected more or less by the unseasonable weather. In Wyoming the condition on September 1st was 90%. The Oklahoma condition on September 1st was 60%.

The condition of sweet potatoes is quite promising, although more rain was needed in some sections at the time of the report.

**Sugar Beets.**—While the season of hot, dry weather in the northwestern part of the district caused deterioration in the condition of practically all crops between August 1st and September 1st, a condition of 94% of sugar beets was reported September 1st, compared with 100% condition at the corresponding date last year. Practically the same percentage applies to the sugar beet sections of Western Nebraska and Northern Colorado.

PRODUCTION OF CORN, WHEAT, OATS AND HAY, BY FEDERAL RESERVE DISTRICTS SEPTEMBER 1, 1921, FORECAST OF THE DEPARTMENT OF AGRICULTURE

(In Thousands of Units of Measurement)

Federal Reserve District	CORN (Bushels)		WHEAT (Bushels)			OATS (Bushels)		HAY, tame and wild (tons)				
	Sept. 1 Forecast for 1921	Aug. 1 Forecast for 1921	Est. 1920	Sept. 1 Forecast for 1921	Aug. 1 Forecast for 1921	Est. 1920	Sept. 1 Forecast for 1921	Aug. 1 Forecast for 1921	Est. 1920	Sept. 1 Forecast for 1921	Aug. 1 Forecast for 1921	Est. 1920
Boston . . . . .	5,533	5,403	4,535	339	338	368	8,162	8,539	9,571	3,552	3,319	4,211
New York . . . . .	43,143	41,272	38,550	10,105	10,080	12,016	30,199	33,527	46,797	4,649	4,643	6,005
Philadelphia . . . . .	63,328	61,395	63,133	22,745	22,756	23,022	20,408	21,541	28,882	2,466	2,473	2,945
Cleveland . . . . .	197,826	171,527	216,642	34,551	34,552	35,442	51,069	54,659	92,711	5,596	5,706	6,209
Richmond . . . . .	178,246	193,088	202,850	27,542	27,542	36,871	24,869	25,406	25,626	4,205	4,246	4,751
Atlanta . . . . .	308,081	300,117	266,055	7,130	7,130	6,363	32,591	32,058	28,090	4,686	4,490	4,594
Chicago . . . . .	941,815	876,445	987,897	62,788	62,536	66,530	381,767	398,975	587,706	14,747	15,043	17,129
St. Louis . . . . .	471,864	426,382	441,118	60,433	60,395	60,611	59,400	60,091	77,814	7,280	7,296	8,183
Minneapolis . . . . .	274,187	271,350	259,126	142,861	146,499	145,521	213,820	231,425	306,867	15,492	16,094	17,896
Kansas City . . . . .	487,283	469,500	542,699	249,950	250,052	282,060	177,144	178,848	229,297	16,048	18,127	20,301
Dallas . . . . .	205,237	205,942	199,638	19,675	19,713	18,222	47,233	48,016	48,296	2,008	2,025	2,005
San Francisco . . . . .	9,333	9,749	10,124	115,739	115,232	100,102	43,620	44,117	44,398	13,890	13,611	14,004
Total . . . . .	3,185,876	3,032,170	3,232,367	753,858	756,825	787,128	1,090,282	1,137,202	1,526,055	94,619	97,073	108,233

**GRAIN MARKETING.**

Receipts of wheat at the four principal markets of this district in the month of August aggregated 29,955,300 bushels, compared with 32,789,400 bushels marketed in July and 15,942,000 bushels in August, 1920.

Combining the receipts of July and August the total for the wheat marketing year to September 1st at these markets was 62,744,700 bushels, against 27,943,650 bushels received in the two months' period in 1920. The increased movement for the two months of this year was 34,801,050 bushels, or 124.6%. The heavy marketing of July and August at the four markets represents about 25% of the 1921 wheat crop of the Tenth Federal Reserve District, estimated by the government at 250,000,000 bushels.

It has been estimated that since July 1st close to 50% of the surplus in the larger wheat growing states has been shipped and the movement by the end of September will be on the decline. Exports of wheat in August were more than double the volume of outgoing wheat in August, 1920. Millers all over the country were large buyers at these western markets. There was also an increase in stocks of wheat in elevators by the end of the month.

The movement of corn to the markets in August was 96.3% larger than one year ago, while oats marketed registered an increase of 36.8% over the marketings in August, 1920. Rye, barley and kaffir also were in larger volume.

The advance in wheat starting about the middle of August continued to the middle of September. No. 2 hard wheat, which on August 20th was selling at \$1.07@1.09, sold on September 2nd at \$1.19½@1.27 and on September 15th at \$1.12@1.33. Cash sales of corn have made few changes, No. 2 white selling at 44½¢ and No. 2 Yellow at 50½¢ on September 15th. No. 2 White oats on that date sold at 39@40c.

**FLOUR MILLING.**

Production of flour in August was maintained at a high rate of activity with a total of 2,428,618 barrels manufactured by mills at Kansas City, Omaha and interior points in Missouri, Kansas, Nebraska and Oklahoma. This compares with 1,902,527 barrels produced in the month of July and 1,443,582 barrels produced in the month of August, 1920. The increase over July is 27.6% and over August of last year

68.2%. The output of the mills at Kansas City and Omaha, and also that of 82 interior mills, for August follows:

	1921 Barrels	1920 Barrels	Percent Increase
Kansas City . . . . .	424,000	293,000	44.7
Omaha . . . . .	92,480	34,555	167.6
82 Interior Mills . . . . .	1,912,138	1,116,027	71.3
<b>Total Production Reported . . .</b>	<b>2,428,618</b>	<b>1,443,582</b>	<b>68.2</b>

Shipments of flour from Kansas City in the month of August were 572,650 barrels compared with 445,525 barrels shipped in July and 219,050 barrels shipped in August, 1920. The increase over July was 28.5% and over the corresponding month last year 161.4%. Receipts of flour at Kansas City in August were 118,950 barrels compared with 73,125 barrels in July and 52,000 barrels in August, 1920. A moderate amount of first and second clears moved to the ports for export, while there was a fairly heavy demand for flour from nearly all sections of this country. While the milling situation in the Southwest has very materially improved, the industry is hoping that the wheat market will become more settled and thus stimulate buying.

Flour prices have shown slight fluctuations, generally following the trend of the wheat market. September 10th hard winter wheat short patent flour at Kansas City was quoted at \$7.25@7.60 per barrel; straight, \$6.70@6.95; first clear, \$5.50@6.00; second clear, \$4.00@5.00.

**LIVE STOCK.**

A summary of the situation in the first half of September showed all classes of live stock on farms and ranges in this district generally in good condition. Pastures were greatly benefited by rains this month and are furnishing excellent grass, while field crops are supplying an abundance of grain and other food. Nebraska reports a good demand for feeder hogs. The supply of cattle on pastures in the sand hill sections of that state is very short. Cattle and hogs on farms and ranges in Oklahoma are also reported short, though live stock in that state is generally doing well. Wyoming reports a good condition of live stock and some shipments made to market. Grasshoppers have caused damage both to hay crops and pastures in that state. In New Mexico the conditions surrounding live stock are described as excellent, but markets poor. Kansas hog raisers are active in the use of serum in cholera prevention measures. Stock is doing fine in

**RECEIPTS AND SHIPMENTS OF GRAIN, FOUR PRINCIPAL MARKETS, TENTH FEDERAL RESERVE DISTRICT, AUGUST, 1921, AND 1920**

	RECEIPTS									
	Kansas City		Omaha		St. Joseph		Wichita		Four Markets	
Wheat . . . . .	16,721,100	8,532,000	5,912,400	4,176,000	2,391,000	1,536,000	4,930,800	1,698,000	29,955,300	15,942,000
Corn . . . . .	900,000	345,000	1,908,200	1,076,600	723,000	367,500	5,000	12,000	3,536,200	1,801,100
Oats . . . . .	1,839,400	899,300	1,356,000	1,478,000	270,000	136,000	3,000	22,000	3,468,400	2,535,300
Rye . . . . .	62,700	89,100	364,100	155,100	1,400	.....	6,000	.....	434,200	244,200
Barley . . . . .	231,000	127,500	241,200	99,000	15,750	.....	.....	.....	487,950	226,500
Kaffir . . . . .	292,600	235,400	.....	.....	1,500	.....	1,000	32,000	295,100	267,400
	SHIPMENTS									
Wheat . . . . .	10,993,050	4,185,000	6,536,400	3,480,000	1,350,000	819,000	3,750,000	756,000	22,629,450	9,240,000
Corn . . . . .	1,568,750	197,500	2,020,200	1,050,000	550,000	148,500	5,000	5,000	4,143,950	1,401,000
Oats . . . . .	202,500	270,000	650,000	874,000	60,000	36,000	3,000	20,000	915,500	1,200,000
Rye . . . . .	42,900	37,400	144,100	60,500	.....	.....	6,000	.....	193,000	97,900
Barley . . . . .	83,200	97,500	135,000	43,200	12,250	.....	.....	.....	230,450	140,700
Kaffir . . . . .	233,000	277,000	.....	.....	.....	.....	1,000	32,000	234,000	309,000

Colorado, though it is reported that there are few contracts for feeder lambs, prices being low to producers and high for the feeders. In Missouri the condition of all animals is generally healthful, but flies are very annoying to stock and are reported to have reduced the milk flow.

The movement of cattle to the six markets of this district has been exceptionally large this autumn, the receipts for August aggregating 508,052 head, which is 82.4% larger than the receipts in July and 6.6% larger than the marketings in August of last year. A feature of the situation at the western markets is the dearth of good corn-fed cattle, for which there has at all times been a demand such as could not be adequately met. The greater volume of cattle receipts were light grass-fed stock. While the seasonal movement from the ranges and pastures of Texas, Oklahoma and Kansas was on there were also liberal receipts from the northwest ranges of Montana, the Dakotas and from Wyoming, Colorado and Nebraska. The heavy movement from the northwest was earlier than usual. Thus it appears there was an over-supply of grass beef cattle on the markets in spite of a shortage of cattle in the west, prices unsettled, and a wider spread between prices of choice beef cattle and the medium to common grades. Efforts were made to check the heavy movement of cattle to the markets with results not wholly satisfactory.

Receipts of calves in August were 90,416, about 51% above the July receipts but 6,308 under the high record receipts in August of last year.

Receipts of hogs at the six markets in August numbered 509,417. This total was 14% less than the July receipts but it was 11.5% more than the receipts in August, 1920. The marked curtailment of receipts from the heavy run in July caused an advance in the third week of August and sent prices up to the highest point of the year to that date; but, as a whole, the market was irregular and at times erratic and demand uneven.

Receipts of sheep in August were 761,849 at the six markets compared with 424,768 in July and 837,061 in August, 1920.

Horses and mules received were 4,198 head which is 77.6% more than the receipts for July but 79.6% below the large receipts for the corresponding month in 1920.

The 1921 corn crop being regarded as safe from frost damage, it was noted that during August and in September to this date there was larger buying of feeder stock of all kinds by corn-belt farmers. Stocker and feeder shipments to the country from Kansas City

in the month of August were 3,093 cars compared with 2,354 in August, 1920, and 2,644 in 1919. The out-go from Kansas City to the various states in August (in car-lots) was:

	1921	1920
Kansas . . . . .	481	786
Missouri . . . . .	899	559
Nebraska . . . . .	170	68
Iowa . . . . .	625	313
Illinois . . . . .	748	267
Others . . . . .	170	361

### SHEEP AND WOOL.

The Tenth Federal Reserve District embraces a very large part of the mountain sections of the country where the sheep and wool industry is of the greatest importance. Utah, Idaho, Montana and Wyoming are the leading states in the range sheep industry. Southwestern Colorado has large range sheep interests and fattening lambs is a very important industry in Eastern Colorado. Undoubtedly this range district is about one-third short of normal supplies, according to a report to the Monthly Review from the wool growers.

Range conditions have been splendid this year. The lambs marketed from the range up to August 20th brought fair prices and the market was more stable than ever known before. This is accounted for by the fact that more attention was given by the growers to proper distribution of lambs at the different markets and sending them to the markets in an orderly manner, and also from the fact that the packing industries generally, knowing that the range sheep men have been hard hit, endeavored on their part to stabilize the market.

During the two weeks following this period the receipts of all the markets in the aggregate increased fully 50%. The consumptive demand for dressed mutton and lambs would not take this enormous increased supply excepting at a decline that was serious to the growers. Also, the feeder buyers, remembering the heavy losses they sustained on their operations last season, were hesitant about buying feeders. It is estimated that one-half million dollars was lost to the sheep industry during these two weeks, and it is generally known that during this two weeks' period the market was depressed.

Improvement in the market set in September 6th and prices advanced steadily, closing on the 9th at fully \$1.00 per hundred weight higher on fat sheep and lambs and 50c to 75c per hundred weight higher on feeders than the close of the previous week.

A great deal of attention is now being centered on encouraging the feeding of sheep and lambs in Eastern Colorado, Kansas, Missouri, Iowa, Nebraska and states east of the Mississippi River. Feeders are now purchased at a little over one-half of last year's cost and feed being bought at present prices is about one-third of last year's cost.

The 1921 wool crop, like the lamb crop, has been grown at an expense which, according to the wool growers, means severe losses when sold at present market values. However, the market is quite active and sheep men are somewhat optimistic concerning the future of the industry.

### RECEIPTS OF LIVE STOCK, AUGUST, 1921

	Cattle	Calves	Hogs	Sheep	Horses & Mules
Kansas City . . . . .	253,097	56,923	147,014	166,404	985
Omaha . . . . .	137,715	12,413	161,897	413,724	748
St. Joseph . . . . .	44,089	7,565	125,614	89,470	958
Denver . . . . .	20,466	3,147	19,926	86,719	717
Oklahoma City . . . . .	33,588	4,646	25,651	2,546	60
Wichita . . . . .	19,097	5,722	29,315	2,986	730
August, 1921 . . . . .	508,052	90,416	509,417	761,849	4,198
July, 1921 . . . . .	278,477	59,871	593,691	424,768	2,363
August, 1920 . . . . .	476,810	96,724	456,800	837,061	20,589

PACKERS PURCHASES, AUGUST, 1921

	Cattle	Calves	Hogs	Sheep
Kansas City . . . . .	102,623	26,071	108,046	113,365
Omaha . . . . .	70,331	4,590	122,064	213,658
St. Joseph . . . . .	26,107	6,487	105,568	62,169
Denver . . . . .	8,888	1,894	19,240	15,317
Oklahoma City . . . . .	23,616	3,092	22,955	1,801
Wichita . . . . .	6,326	2,218	28,537	702
August, 1921 . . . . .	237,891	44,352	406,410	407,012
July, 1921 . . . . .	169,844	43,832	476,813	269,526
August, 1920 . . . . .	224,703	56,784	345,433	322,128

MEAT PACKING.

Packers report a general improvement in their business for the summer extending over a period of three months after several months of depression. Their operations during the month of August were up to the usual volume for that month. The August slaughter of cattle at Kansas City, Omaha, St. Joseph, Denver, Oklahoma City and Wichita was 237,891 head, which is 68,047 more than in July and 13,188 more than in August of last year. The slaughter of calves was 44,352 for the month, about the same as in July and 12,432 below the record of a year ago. Purchases of hogs for slaughter totaled 406,410 for August, this number being 70,403 less than the slaughter in July and 60,977, or 17.6% more than the slaughter in the corresponding month of 1920. The slaughter of sheep was exceptionally heavy, the total for the six packing centers aggregating 407,012, compared with 269,526 in July and 322,128 in August of last year.

The excessive supply of grass cattle at practically all times had a tendency to unsettle the fresh meat market, but with fairly good domestic trade and fair export shipments packers made the best of the situation.

Stocks of meat in storage at Kansas City on August 31st amounted to 38,914,300 pounds, which was 17,697,000 pounds less than at the end of July and 5,915,000 pounds less than at the end of August, 1920.

PETROLEUM.

Development operations have been curtailed in recent months to a point where fewer wells are now drilling than at any other time in more than three years, yet only a slight reduction in the output of crude oil in Kansas and Oklahoma has resulted.

Preliminary reports of an unofficial character from the various fields show that not since the beginning of May has crude oil production in Kansas and Oklahoma fallen below 400,000 barrels per day. The output for the two states in August was a little above 13,000,000 barrels, which compares with a total of 13,598,000 barrels officially reported for July by the U. S. Geological Survey. It is about 1,000,000 barrels more than the production in August, 1920. In Wyoming and Colorado production in August was about 40,000 barrels per day. The Geological Survey figures for July placed the total for these two mountain states at 1,151,991 barrels for that month.

The unofficial reports from Kansas and Oklahoma, received from the fields, place the estimated daily av-

erage production of crude oil in barrels of 42 gallons for the weeks mentioned as follows:

Week Ending	Daily Av. 1921 Barrels	Daily Av. 1920 Barrels
August 19 . . . . .	422,000	399,000
August 26 . . . . .	421,000	398,500
September 3 . . . . .	421,100	401,500
September 10 . . . . .	418,000	400,000
September 17 . . . . .	419,000	398,400

August field reports show 480 wells completed in Kansas, Oklahoma and Wyoming with an initial daily production of 69,787 barrels. Compared with developments in July this is a decrease of 160 completed wells and a decrease of 8,210 barrels daily new production; compared with August, 1920, the decrease was 875 completed wells and 30,156 barrels daily new production. New work under way in the three states at the end of August was represented by 2,020 rigs and wells drilling against 2,116 at the end of July and 3,065 at the end of August last year. Following is a summary of development operations in the three states for the month of August:

	Wells Completed	Barrels Daily New Production	Rigs and Wells Drilling
Kansas . . . . .	69	6,376	213
Oklahoma . . . . .	386	55,011	1,180
Wyoming . . . . .	25	8,400	627
August, 1921 . . . . .	480	69,787	2,020
July, 1921 . . . . .	640	77,997	2,116
August, 1920 . . . . .	1,355	99,943	3,065

Stocks of crude oil in the United States at the end of July, including Mexican crude held by importers, aggregated 167,200,000 barrels, according to the last official report of the U. S. Geological Survey. This is equivalent to about 125 days' supply for the United States. The report shows that 98,517,000 barrels were held by refineries and on tank farms in the Mid-Continent District, of which 61,667,000 barrels, or 62.5% were held in Kansas and Oklahoma, the remainder in North and Central Texas.

COAL MINING.

Production of bituminous coal in the United States averaged 1,279,000 tons for the 27 working days of August and the total output for the month was reported by the United States Geological Survey as 34,538,000 tons. Although an increase of 4,153,000 tons over the revised figures for July, this was far below normal for August. In the eight years preceding, a period over which records of monthly output extends, the lowest figure for August occurred in 1914, yet even that month shows 37,751,000 tons, or 3,213,000 tons more than did August, 1921. The total production for the calendar year to the end of August was 261,000,000 tons, which compares with 352,000,000 tons for the same period in 1920 and 323,000,000 tons as the average for 1913 to 1920.

Operating conditions in the mining sections of the Tenth Federal Reserve District show no material improvement. The percent of full time output produced in the states of this district in the month of August, as reported weekly, was: Colorado 48.5%; Kansas 62.1%, Missouri 43.9%, Oklahoma 56.4%, average for the district 52.7% of full time output. The various reasons assigned for losses from full operating capac-

ity during the month of August are shown in percentages for each state as follows:

	Colo.	Kans.	Mo.	Okla.	Dist. No. 10
Transportation					
Disability . . . . .	1.0%	2.5%	.6%	.5%	1.2%
Labor shortage . . . . .		7.	.7	.3	.4
Strikes . . . . .		2.4	2.5		1.2
Mine disability . . . . .	2.4	1.0	8.0	6.4	4.5
No market . . . . .	37.6	25.	44.5	36.4	34.6

During the month of September to this date there has been a further slowing down of operations in this district, due to labor trouble and no market for the product. It is noted that the closing down of many industrial plants has shut off the demand for slack coal, while the low price of fuel oil is causing many other plants and some of the railroads to change from coal to oil for fuel.

### ZINC AND LEAD MINING.

A review of the Joplin mining district for August, 1921, indicates that shipments and market conditions for the month showed practically no change as to zinc ores. The zinc ore shipped amounted to 19,975 tons, an average of 4,993 tons per week. The average price for this tonnage for the month was \$20.81. There were no calamine shipments, and the market closed dull and with small demand. Surplus stocks showed a gain of 1,000 tons, making the total in the bins of the ore producers at the end of the month 76,000 tons.

Shipments of lead ores aggregated 3,845 tons, an average of 961 tons per week. The average price for the month was \$50.00 per ton. This is an advance of \$2.50 per ton over the highest price paid during July. In addition ore producers were anticipating a further advance for the month of September for this class of ores. The demand remained unchanged, and surplus stocks were the same at the end of the month as the previous month.

A survey of labor conditions at the end of the month disclosed the fact that in Missouri there were only 270 miners working underground, while there were 800 in Kansas and 2,200 in Oklahoma, a total of slightly over 3,000 men, as compared with 12,000 to 15,000 during the period of 1915 to 1917. There were but 35 mills working out of 208 in the district.

**Colorado Metal Mines.**—Telluride and Cripple Creek are the only metal mining districts where activity is anything like normal. In other districts operations are at a low state as a result of the generally depressed condition of the metal markets.

### BUILDING.

Reports from 16 cities of this district for August show that permits were issued for the erection of 2,762 buildings at an aggregate cost of \$7,661,119. This is a gain of 54.8% in the number of permits and 93.8% in the estimated cost over the record for the same cities in August, 1920. It is also the largest percentage of gain that has been shown in any month this year over the corresponding month last year. As an indication of the increase in building activity it is noted that the August reports from cities of this district show an increase of 17% in the number of permits issued and 35% in the estimated cost of the buildings proposed over the record of July. The reports show

phenomenal gains in some of the cities. The reports for the month of August follow:

	Permits	Estimated Value	Pct. Change
Kansas City, Mo. . . . .	471	\$2,137,950	+132.4
Wichita, Kans. . . . .	286	1,506,398	+481.4
Pueblo, Colo. . . . .	192	235,270	+845.5
Oklahoma City, Okla. . . . .	297	791,076	+77.2
Denver, Colo. . . . .	526	751,450	+114.8
Tulsa, Okla. . . . .	124	245,985	-50.2
Pueblo, Colo. . . . .	192	235,270	+485.5
St. Joseph, Mo. . . . .	75	207,275	+389.4
Lincoln, Nebr. . . . .	95	185,375	-71.3
Kansas City, Kans. . . . .	96	121,450	-41.1
Topeka, Kans. . . . .	108	111,090	+58.6
Casper, Wyo. . . . .	87	107,750	-19.
Muskogee, Okla. . . . .	41	99,830	+177.7
Okmulgee, Okla. . . . .	27	68,250	-26.1
Colorado Springs, Colo. . . . .	60	23,245	-71.9
Leavenworth, Kans. . . . .	6	14,300	+376.6
Joplin, Mo. . . . .	16	9,450	-33.1
Total August, 1921. . . . .	2,762	\$7,661,119	+93.8
Total August, 1920. . . . .	1,785	3,953,783	

The foregoing reports show that the largest percent of gain in building activity in the United States during August was in this section. An encouraging sign in connection with the August activity is the heavy increase in the number of homes for which permits were issued.

### Statement of Condition FEDERAL RESERVE BANK OF KANSAS CITY Including Branches At Close of Business September 14, 1921

RESOURCES	
Gold Coin and Certificates. . . . .	\$ 2,231,102.50
Gold Settlement Fund F. R. Board. . . . .	39,986,647.49
Gold with Federal Reserve Agent. . . . .	36,332,345.00
Gold Redemption Fund . . . . .	3,216,529.75
Legal Tender Notes, Silver, Etc. . . . .	4,650,835.85
Bills Discounted:	
Secured by Govt. Obligations. . . . .	18,207,487.77
All Other . . . . .	47,710,837.36
Bills Bought in Open Market. . . . .	460,200.00
U. S. Bonds and Notes. . . . .	8,867,850.00
One Year Cert. of Indebtedness (Pittman Act)	7,320,000.00
Bank Premises . . . . .	3,454,801.19
5% Redemption Fund Against F. R. Bk. Notes	915,590.00
Uncollected Items . . . . .	49,397,837.21
All Other Resources . . . . .	470,309.95
Total Resources . . . . .	\$223,222,374.07
LIABILITIES	
Capital Paid In. . . . .	\$ 4,534,050.00
Surplus . . . . .	9,330,167.01
Reserved for Government Franchise Tax. . . . .	1,735,033.47
Deposits:	
Government . . . . .	8,015,721.87
Member Banks, Reserve Account. . . . .	67,069,015.60
All Other . . . . .	640,583.79
F. R. Notes in Actual Circulation. . . . .	74,427,280.00
F. R. Bank Notes in Actual Circulation. . . . .	12,844,900.00
Deferred Availability Items. . . . .	43,448,559.92
All Other Liabilities. . . . .	1,177,062.41
Total Liabilities . . . . .	\$223,222,374.07

OTHER TOTALS	
Total Gold Reserves. . . . .	\$ 81,766,624.74
Total Earning Assets. . . . .	82,566,375.13
Total Deposits . . . . .	75,725,321.26
Ratio of Total Reserves to Deposit and F. R. Notes Liabilities Combined. . . . .	57.5%
Ratio of Gold Reserves to F. R. Notes in actual circulation after setting aside 35% against Deposit Liabilities . . . . .	80.4%
CLEARINGS	
Total Clearings for Week. . . . .	\$200,792,123.00
Total Number of Items Handled. . . . .	1,164,913