

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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MAR. 31

THE SITUATION AT A GLANCE

HIGH POINTS IN THE STATISTICAL RECORD OF THE TENTH FEDERAL RESERVE DISTRICT.

- ¶ Business, measured by debits by banks to accounts of customers in 26 cities, 4 weeks ending March 7, \$1,120,260,000; increase over corresponding period last year \$149,338,000, or 15.4%.
- ¶ Building Permits in 19 cities, month of February, 2,072 and estimated cost \$7,343,638; increase 240 permits and \$2,888,437, or 64.8% in cost. First 2 months of 1923, permits 4,484 and estimated cost \$14,701,644; increase over first two months last year 1,259 permits and \$5,092,325 or 53% estimated cost.
- ¶ Coal Mine Operations in 6 states during February, 51.8% of capacity; in February last year 58.2% of capacity.
- ¶ Commercial Failures, Tenth District, during February 89 and liabilities \$1,154,384; decrease from one year ago 10 failures and \$852,096 or 42.4% in liabilities.
- ¶ Crude Oil Production in 4 States during February, daily average 587,329 barrels and month's total 16,445,200 barrels. February, 1922, daily average 498,964 barrels and total for month 13,971,000 barrels. Increase daily average 88,356 barrels and month's total 2,474,200 barrels.
- ¶ Grain Receipts at 4 markets, February; wheat 7,476,450 bushels, corn 5,757,200 bushels, oats 2,136,100 bushels. Decrease from February last year: wheat 4,750,650 bushels, corn 797,850 bushels. Increase:—oats 470,800 bushels.
- ¶ Flour Production at Southwestern Mills in February 1,431,259 barrels. Decrease from a year ago 67,554 barrels, or 4.5%.
- ¶ Live Stock Receipts, at 6 markets in February: cattle 370,474, calves 50,112, hogs 990,990, sheep 576,389, horses and mules 10,451. Increase: Cattle 10,879, calves 9,366, hogs 236,910, sheep 95,128, horses and mules 2,810.
- ¶ Meat Packing at 6 centers in February: cattle 204,524, calves 36,556, hogs 778,473, sheep 334,648. Increase: cattle 33,961, calves 12,351, hogs 203,384, sheep 84,014. Highest February record since 1919.
- ¶ Lead Ore Shipments in Missouri, Kansas and Oklahoma, in February 7,077 tons, average price \$109.34 per ton. Same month last year 7,806 tons, average price \$60 per ton.
- ¶ Zinc Ore Shipments in Missouri, Kansas and Oklahoma in February 57,425 tons, average price \$42.55 per ton. February last year 27,000 tons, average price \$25.06 per ton.

EXPANSION in nearly every branch of trade and industry in the Tenth Federal Reserve District is evidenced by the reports presented in the March issue of the Monthly Review. Distribution of merchandise by wholesalers and jobbers in recent weeks has been in line with the heavy volume of trade which featured the first month of 1923. Sales by wholesalers are now well ahead of those of last year. Retail trade reports reflect increased buying by the people in city, town and country as compared with one and two years ago. Factories are operating a high percentage of capacity. New high February records in live stock receipts and in meat packing have been established. Grain market movements have slackened and flour production is about the same as was recorded for the corresponding period in 1922. The crude oil output was more than 88,000 barrels per day ahead of last year. Soft coal mines are operating at about the same capacity as a year ago, and a high rate of activity in lead and zinc mining is maintained. Building for the year to the date of this issue has registered a new high record for cities of this District, while public work and other forms of construction are proceeding at an exceptionally high rate of activity. Labor generally is well employed.

In addition to this highly encouraging situation the March reports tell of rains and snows of varying depths over practically every section of the District, breaking the long drought in dry sections and providing moisture to give spring crops and pastures a good start—thus brightening the prospects for agriculture and live stock, the paramount industries of the District; but severely cold weather late in March has injured some of the early planted crops and some fruit damage is reported, though the damage is as yet unestimated.

The expanded business is having a quickening influence on banking activities. Loans and discounts of banks throughout the District have taken an upturn. Combined statements of seventy-eight selected Member Banks March 7 show an aggregate of \$449,613,000 of loans and discounts, a high mark for 1923 and an increase of \$5,003,000 in four weeks. Investments of these Member Banks, amounting to \$148,416,000, were around the high level for this year. Deposits were the largest of record for the seventy-eight Member Banks, the combined total on March 7 reaching \$595,117,000.

The weekly reports of the Federal Reserve Bank of Kansas City during March show increased use of its credit facilities. Total bills discounted and held March 21 aggregated \$28,112,004.12, which was \$10,339,730.99 above the total four weeks previous to that date. Gold reserves were \$91,742,550.32, a decrease of \$3,896,696.16 from February 21.

Member and Non-Member Banks subscribed approximately \$22,000,000 of the \$400,000,000 March 15 issue of United States Treasury Certificates of Indebtedness through the Fiscal Agency department of the Federal Reserve Bank of Kansas City. The quota for the District was \$16,000,000.

CONDITION OF 78 SELECTED MEMBER BANKS IN
TENTH FEDERAL RESERVE DISTRICT

| | Mar. 7, 1923 | Feb. 7, 1923 |
|---|------------------------|------------------------|
| 1. Loans and Discounts (including rediscounts:) | | |
| (a) Secured by U. S. Govt. Obligations . . . \$ | 8,238,000 | \$ 8,552,000 |
| (b) Secured by stocks and bonds, other than U. S. Bonds | 80,090,000 | 77,018,000 |
| (c) All Other | 361,285,000 | 359,040,000 |
| 2. Investments: | | |
| (a) U. S. pre-war Bonds | 12,077,000 | 11,973,000 |
| (b) U. S. Liberty Bonds | 46,639,000 | 46,533,000 |
| (c) U. S. Treasury Bonds | 3,871,000 | 4,668,000 |
| (d) U. S. Victory Notes and Treasury Notes | 21,392,000 | 21,512,000 |
| (e) U. S. Certificates of Indebtedness | 5,995,000 | 5,798,000 |
| (f) Other Bonds, Stocks and Securities | 58,442,000 | 59,472,000 |
| 3. Total Loans and Discounts, and Investments | 598,029,000 | 594,566,000 |
| 4. Reserve Balances with F. R. Bank | 49,446,000 | 49,215,000 |
| 5. Cash in vault | 11,788,000 | 11,719,000 |
| 6. Net Demand Deposits on which Reserve is computed | 470,137,000 | 459,775,000 |
| 7. Time Deposits | 123,899,000 | 125,358,000 |
| 8. Government Deposits | 1,081,000 | 1,449,000 |
| 9. Bills Payable and Rediscounts with F. R. Bank secured by: | | |
| (a) U. S. Govt. Obligations | 4,232,000 | 2,086,000 |
| (b) All Other | 3,104,000 | 3,580,000 |
| TOTAL (Items 3 to 9 inclusive) | \$1,261,807,000 | \$1,247,748,000 |

Bank Debits

General business in cities of the Tenth District, as measured by debits by banks to the accounts of their customers, increased 15.4% in a 4-weeks period ending March 7, over the corresponding 4 weeks last year. Debits reported by the clearing houses in 29 cities for the period under review, together with the debits of 26 cities for the period last year, are shown herewith:

| | 4 Weeks Ending March 7, 1923 | 4 Weeks Ending March 8, 1922 | Percent Increase |
|----------------------------------|---------------------------------|---------------------------------|---------------------|
| Atchison, Kansas | \$ 5,522,000 | \$ 4,985,000 | 10.8 |
| Bartlesville, Oklahoma | 11,284,000 | 8,890,000 | 26.9 |
| Casper, Wyoming | 13,873,000 | 9,515,000 | 45.8 |
| Cheyenne, Wyoming | 10,794,000 | 10,446,000 | 3.3 |
| Colorado Springs, Colo. | 10,854,000 | 9,392,000 | 15.6 |
| Denver, Colorado | 148,092,000 | 125,053,000 | 18.4 |
| Enid, Oklahoma | 12,225,000 | | |
| Fremont, Nebraska | 4,722,000 | | |
| Grand Island, Nebr. | 4,960,000 | 4,767,000 | 4.0 |
| Grand Junction, Colo. | 2,283,000 | 2,302,000 | -0.8 |
| Guthrie, Oklahoma | 3,024,000 | 2,142,000 | 41.2 |
| Hutchinson, Kans. | 12,236,000 | 12,412,000 | -1.4 |
| Independence, Kans. | 9,050,000 | | |
| Joplin, Missouri | 13,850,000 | 8,506,000 | 62.8 |
| Kansas City, Kans. | 15,066,000 | 12,508,000 | 20.4 |
| Kansas City, Mo. | 314,615,000 | 266,827,000 | 17.9 |
| Lawrence, Kansas | 3,963,000 | 3,557,000 | 11.4 |
| McAlester, Okla. | 3,999,000 | 3,702,000 | -8.2 |
| Muskogee, Okla. | 23,236,000 | 23,123,000 | 0.5 |
| Oklahoma City, Okla. | 75,865,000 | 70,535,000 | 7.6 |
| Okmulgee, Okla. | 8,946,000 | 7,990,000 | 12.0 |
| Omaha, Nebraska | 193,648,000 | 171,567,000 | 12.9 |
| Parsons, Kansas | 3,689,000 | 3,205,000 | 15.1 |
| Pittsburg, Kansas | 5,902,000 | 5,172,000 | 14.1 |
| Pueblo, Colorado | 13,134,000 | 13,160,000 | -0.2 |
| St. Joseph, Missouri | 62,915,000 | 50,589,000 | 24.4 |
| Topeka, Kansas | 15,392,000 | 13,140,000 | 17.1 |
| Tulsa, Oklahoma | 99,187,000 | 87,372,000 | 13.5 |
| Wichita, Kansas | 44,531,000 | 40,065,000 | 11.1 |
| Total | \$1,146,212,000 | \$970,922,000 | *15.4 |

*—Percentage computed on debits of 26 cities reporting in 1922 and 1923.

COLLECTIONS are reported as having suffered in some sections on account of weather conditions, although in other quarters collections were reported quite satisfactory. The department store reports indicate the percentage of collections during the month to outstandings as 46.5% as compared with 46.6% in February, 1922.

Savings Deposits

Sixty-six banks in the leading cities of the Tenth District, by their reports to the Federal Reserve Bank of Kansas City, showed an aggregate of \$101,623,714 of deposits in savings accounts March 1, 1923. This total indicates an increase of \$266,315 or 0.3% over February 1 of this year, and an increase of \$13,004,760 or 14.6% over March 1, 1922. The reports by cities follow:

| Banks | Mar. 1, 1923 Amount | Feb. 1, 1923 Amount | March 1, 1922 Amount |
|---------------------------------|-------------------------|------------------------|-------------------------|
| Denver, Colorado | 10 \$ 51,495,251 | \$ 51,530,249 | \$44,778,118 |
| Kansas City, Kansas | 4 2,400,108 | 2,402,984 | 2,275,439 |
| Kansas City, Missouri | 10 12,822,498 | 12,742,985 | 11,800,350 |
| Lincoln, Nebraska | 4 3,044,477 | 3,009,363 | 2,726,291 |
| Oklahoma City, Okla. | 6 6,279,367 | 6,071,753 | 4,679,058 |
| Omaha, Nebraska | 6 7,298,336 | 7,275,296 | 7,082,215 |
| St. Joseph, Missouri | 6 7,608,492 | 7,477,474 | 6,744,571 |
| Tulsa, Oklahoma | 7 6,414,340 | 6,595,242 | 5,313,630 |
| Wichita, Kansas | 6 2,184,750 | 2,220,684 | 1,498,392 |
| Outside | 7 2,076,095 | 2,031,369 | 1,720,890 |
| Total | 66 \$101,623,714 | \$101,357,399 | \$88,618,954 |

The records of 56 banks showed 301,847 savings accounts on their books March 1, a decrease of 2,004 from the total on February 1. Compared with March 1, 1922, there was an increase of 28,999 or 10.6% in the number of savings accounts.

Business Failures

The record of business mortality in the United States for the month of February, 1923, shows a decrease of 618 or 29% in the number of failures and a decrease of \$8,582,558 or 17.4% in the amount of liabilities from the totals recorded for January, 1923. The February, 1923, totals were also far below those of the corresponding month in 1922, indicating a decrease of 823 or 35.3% in the number of failures and \$31,980,454 or 44% in the amount of liabilities.

The February record for the Tenth District showed 8 more failures than were reported for January, but the amount of liabilities was \$336,930 or 22.5% less than in January. Compared with February, 1922, the totals for February of this year show a decrease of 10 failures and a decrease of \$852,096 or 42.4% in liabilities.

The following compilation by Dun's shows the number and liabilities for February, 1923, together with the figures for February, 1922, for comparison:

| Districts | NUMBER | | LIABILITIES | |
|---------------------------------------|--------------|--------------|---------------------|---------------------|
| | Feb. 1923 | Feb. 1922 | Feb. 1923 | Feb. 1922 |
| First (Boston) | 150 | 206 | \$ 4,637,721 | \$ 6,235,271 |
| Second (New York) | 262 | 300 | 8,883,288 | 24,202,858 |
| Third (Philadelphia) | 58 | 93 | 1,024,670 | 2,436,402 |
| Fourth (Cleveland) | 121 | 235 | 6,293,852 | 4,627,038 |
| Fifth (Richmond) | 109 | 213 | 2,452,891 | 4,761,744 |
| Sixth (Atlanta) | 135 | 270 | 4,029,704 | 5,331,050 |
| Seventh (Chicago) | 195 | 288 | 3,081,365 | 7,876,931 |
| Eighth (St. Louis) | 81 | 167 | 1,008,734 | 4,653,231 |
| Ninth (Minneapolis) | 72 | 97 | 2,217,789 | 2,300,814 |
| TENTH (Kansas City) | 89 | 99 | 1,154,384 | 2,006,480 |
| Eleventh (Dallas) | 91 | 207 | 2,104,596 | 5,889,143 |
| Twelfth (San Francisco) | 145 | 156 | 3,738,945 | 2,287,431 |
| Total, United States | 1,508 | 2,331 | \$40,627,939 | \$72,608,393 |

ACCEPTANCES: An increased demand for bankers acceptances is reported by banks in Kansas City, but there appears to be a scarcity of bills. Two Kansas City banks held \$1,989,800 of bills on March 10, based on wheat and flour. The Federal Reserve Bank on that date held \$1,076,660 of bills based on cotton, sheep skins, packing products, grain and sugar, practically all 90 day paper.

CONDITION OF RETAIL TRADE IN CITIES OF THE TENTH FEDERAL RESERVE DISTRICT DURING FEBRUARY, 1923

Based on Reports From 12 Department Stores

| | Kansas City (3) | Denver (3) | Outside (6) | District (12) |
|---|--------------------|---------------|----------------|------------------|
| Percentage increase (or decrease) of net sales during February, 1923, over net sales during same month last year..... | Inc. 5.7 | Inc. 4.5 | Dec. 1.6 | Inc. 3.5 |
| Percentage increase (or decrease) of net sales from Jan. 1, 1923, to February 28, 1923, over net sales during same period last year..... | Inc. 6.1 | Inc. 10.5 | Inc. 1.8 | Inc. 6.4 |
| Percentage increase (or decrease) of stocks at close of February, 1923, over stocks at close of same month last year..... | Dec. 4.4 | Dec. 2.6 | Inc. 1.5 | Dec. 2.5 |
| Percentage increase (or decrease) of stocks at close of February, 1923, over stocks at close of January, 1923..... | Inc. 12.3 | Inc. 8.1 | Inc. 18.4 | Inc. 11.9 |
| Percentage of average stocks (selling price) at close of each month this season (commencing with Jan. 1) to average monthly net sales (selling price) during the same period..... | 494.1 | 571.3 | 633.4 | 546.7 |
| Percentage of outstanding orders (cost) at close of February, 1923, to total purchases (cost) during the calendar year 1922..... | 7.7 | 12.4 | 9.3 | 9.6 |
| Percentage of collections during month of February, 1923, on amount of outstanding accounts on January 31, 1923..... | 54.7 | 35.6 | 46.4 | 46.5 |
| Percentage of collections for same period last year..... | 54.7 | 35.3 | 47.4 | 46.6 |

Mercantile Trade

Wholesale trade in all lines reported increased volume during the month of February over the corresponding month last year. There were also increases for February over January in sales of groceries and furniture, while sales of dry goods, hardware, millinery and drugs were slightly below those of the previous month. The summary of February reports of sales and outstanding accounts is here given in percentages of increase or decrease over January, 1923, and February, 1922:

| | Sales | | Outstanding Accounts | | |
|----------------|-----------------|-----------------------------------|-----------------------------------|---|---|
| | Stores Reported | Feb. 1923 Compared With Jan. 1923 | Feb. 1923 Compared With Feb. 1922 | Feb. 28, 1923 Compared With Jan. 31, 1923 | Feb. 28, 1923 Compared With Feb. 28, 1922 |
| Dry Goods..... | 3 | -1.8 | +16.5 | +9.3 | +16.7 |
| Groceries..... | 5 | +26.6 | +38.6 | +36.5 | +39.8 |
| Hardware..... | 10 | -5.8 | +22.0 | +13.8 | +17.8 |
| Furniture..... | 4 | +2.7 | +16.4 | +1.5 | +7.9 |
| Millinery..... | 4 | -0.9 | -7.6 | +34.8 | +4.1 |
| Drugs..... | 3 | -0.6 | +17.9 | +3.1 | +5.1 |

The most substantial evidence of improvement in the dry goods business, according to reports, is that retailers are now buying fall goods freely for shipment after July 1. Practically no fall orders were placed in the first quarter of 1922. The purchases of fall goods is now extending to all lines of textiles, including hosiery, underwear, sheep lined coats, sweaters, blankets and flannels.

While hardware sales by wholesalers show an increase for the season, it is reported that considerable business was booked in February which could not be shipped until March. Otherwise February sales would have equalled those of January. Factories in some lines are slow in filling jobbers' orders and this has had a tendency to curtail shipments.

The furniture trade is the heaviest for several months and dealers are somewhat handicapped by slow deliveries from factories. The wholesale grocery trade during February showed a tremendous increase in buying by retailers over January and also over a year ago. Sales of farm implements and machinery are registering large increases over the season in the previous two or three years.

RETAIL: Sales by retailers in cities and towns throughout the Tenth District generally were larger than a year ago, though falling slightly below January sales. The department store figure for February sales is 3.5% increase over February, 1922, and 6.4% increase for January and February of this year over the first two months of last year.

Building

Unprecedented activity in building in cities throughout the United States, and particularly in the Tenth Federal Reserve District, is indicated by the number of building projects reported. Although there were only 22 business days in February, the permits issued in cities of the District for the month practically duplicated those of January, besides establishing a new February high record.

During the first two months of 1923, there were 4,484 permits issued in 19 cities of the District for buildings estimated to cost \$14,701,644, compared with 3,225 permits and \$9,069,319 estimated cost during the first two months of last year. These figures indicate an increase for the year to March 1 of 1,259 new buildings and \$5,095,325, or 53%, in estimated cost.

The reports further show that the average cost per building this year is running about \$300 ahead of a year ago in the cities of this District. The average cost for each building in January and February of 1923 was \$3,278.69, compared with an average cost during January and February, 1922, of \$2,979.00. The reports further show a larger proportion than in any previous year of homes and apartments to meet housing demands.

The building returns from cities of the District compare favorably with those of cities throughout the United States.

BUILDING PERMITS IN CITIES OF THE TENTH DISTRICT

| | February, 1923 | | February, 1922 | | % |
|-------------------------------------|----------------|--------------|----------------|--------------|-------|
| | Permits | Value | Permits | Value | |
| Casper, Wyoming.... | 77 | \$ 198,600 | 21 | \$ 44,200 | 349.3 |
| Cheyenne, Wyoming.... | 36 | 37,975 | 21 | 31,985 | 18.5 |
| Colorado Springs.... | 63 | 143,930 | 74 | 75,015 | 91.9 |
| Denver, Colorado.... | 362 | 1,024,800 | 353 | 657,750 | 55.8 |
| Hutchinson, Kansas.... | 37 | 56,120 | 24 | 22,890 | 145.2 |
| Joplin, Missouri.... | 6 | 7,600 | 7 | 2,725 | 178.9 |
| Kansas City, Kansas.... | 90 | 233,760 | 62 | 113,275 | 106.3 |
| Kansas City, Mo.... | 341 | 1,676,950 | 375 | 1,034,450 | 62.1 |
| Leavenworth, Kans.... | 3 | 15,000 | 4 | 6,800 | 120.6 |
| Lincoln, Nebra..... | 56 | 126,435 | 49 | 615,550 | -79.5 |
| Muskogee, Okla.... | 38 | 118,020 | 22 | 107,450 | 9.8 |
| Okmulgee, Okla.... | 22 | 61,750 | 21 | 52,650 | 17.3 |
| Oklahoma City, Okla. | 169 | 655,094 | 161 | 317,255 | 106.5 |
| Omaha, Nebra..... | 244 | 1,564,325 | 119 | 470,685 | 232.3 |
| Pueblo, Colorado.... | 48 | 41,528 | 66 | 71,246 | -41.7 |
| St. Joseph, Mo..... | 52 | 80,210 | 50 | 58,090 | 38.1 |
| Topeka, Kansas.... | 84 | 126,730 | 41 | 70,540 | 79.7 |
| Tulsa, Oklahoma.... | 146 | 669,385 | 125 | 346,160 | 93.4 |
| Wichita, Kansas.... | 198 | 505,426 | 237 | 356,485 | 41.8 |
| Total, 19 Cities, Feb.. | 2,072 | \$ 7,343,638 | 1,832 | \$ 4,455,201 | 64.8 |
| Total, 19 Cities, Year to Date..... | 4,484 | \$14,701,644 | 3,225 | \$9,069,319 | 53.0 |

FARM STOCKS OF WHEAT, CORN AND OATS (BUSHELS)

| | WHEAT | | CORN | | OATS | |
|--------------------|--------------|--------------|---------------|---------------|--------------|--------------|
| | Mar. 1, 1923 | Mar. 1, 1922 | Mar. 1, 1923 | Mar. 1, 1922 | Mar. 1, 1923 | Mar. 1, 1922 |
| Colorado..... | 3,484,000 | 4,183,000 | 6,412,000 | 6,072,000 | 1,203,000 | 3,027,000 |
| Kansas..... | 20,882,000 | 18,017,000 | 29,517,000 | 37,732,000 | 6,245,000 | 13,201,000 |
| Missouri..... | 5,425,000 | 5,232,000 | 58,574,000 | 69,494,000 | 4,574,000 | 15,895,000 |
| Nebraska..... | 11,369,000 | 10,778,000 | 62,016,000 | 108,021,000 | 17,393,000 | 35,027,000 |
| Oklahoma..... | 2,508,000 | 6,152,000 | 14,400,000 | 30,371,000 | 5,400,000 | 12,400,000 |
| Wyoming..... | 587,000 | 862,000 | 468,000 | 234,000 | 1,264,000 | 2,020,000 |
| Six States..... | 44,255,000 | 45,224,000 | 171,387,000 | 251,924,000 | 36,079,000 | 81,570,000 |
| United States..... | 153,134,000 | 134,253,000 | 1,087,410,000 | 1,305,559,000 | 421,511,000 | 411,934,000 |

Agriculture

The crop outlook in the District has greatly improved in the last thirty days. Precipitation of rain and snow in March was sufficient to thoroughly soak the soil over practically the entire District. There is a strip varying in width from 200 to 300 miles of the upper Great Plains area extending southward through western Nebraska, Kansas and Oklahoma, through the Texas Panhandle, and also covering parts of eastern Colorado, Wyoming and New Mexico, where there had been little rain or snow for several months. The precipitation in March over this territory was sufficient to break the long drought and revive pastures, but more moisture will be needed to assure a good crop year. The blizzard and severely cold weather March 17-20 was damaging to some of the early planted crops, particularly in southern sections, though the extent of the damage will not be known for several days.

Fall sown grains came through the winter in much better condition than was anticipated, after the long period of unseasonably warm and dry weather with little or no protecting snow covering during the first eight to ten weeks of winter. Some damage to wheat resulted from freezing and thawing during the cold weather which came late in February. Over the larger wheat area of the District the reports indicate a condition slightly better than at this time last year. In Missouri wheat was reported as 82% of normal condition on March 1 against 80% one year ago with soil condition 92% against 89% one year ago. The condition of wheat in eastern Kansas, Nebraska and Oklahoma on March 1 was generally above normal for this time of the year. In the dry regions farther west it could not be determined what percentage of the wheat sown last fall would revive in the early spring, as it has frequently done in times past after lying dormant during the winter.

The winter wheat area sown in the states of this District last fall was approximately 24,200,000 acres which was 1,346,000 acres below the acreage sown in the fall of 1921. The official reports of the government on the growing condition of the wheat are to be issued in April, although the abandoned acreage cannot be ascertained until the May reports are received.

Generally the reports indicate that the soil is in fine condition. More late fall and winter plowing has been done than usual on account of the mild open winter and farm work is well advanced. The exceptional weather conditions which permitted farmers to work in their fields all through the winter is expected to result in an increased acreage of spring planted crops.

Seeding of cats began in Missouri early in March and was also under way in Oklahoma and southern Kansas when the heavy storms of rain and snow March 10-12 interfered. With such seeding operations as were carried on during the winter the reports indicate that there is contemplated a larger acreage of corn this year. The expressed intention of farmers in the southern sections would also indicate a decided increase in cotton acreage.

Ideal soil conditions throughout the irrigated sugar beet districts of Colorado, Wyoming, western Nebraska and western Kansas are expected to result in an increase in the acreage of sugar beets this year although contracts for this year's acreage have not been signed. Growers in Colorado, Wyoming and Nebraska, according to announcement, are to receive \$1 additional per ton for the 1922 beet crop grown under the sliding scale contract.

The 1923 potato acreage, particularly in the large producing sections of western Nebraska, and in Wyoming and Colorado, is somewhat uncertain because of the unsatisfactory experiences of growers in the past season. A large proportion of the crop was not harvested, or was fed to live stock, on account of the low price of potatoes and the high transportation rates. The Wyoming report, as an example, indicates that 1,265,000 bushels or 50% of the 1922 crop of potatoes grown in that state last year were still in growers' hands on March 1. In Missouri but 15% of last year's crop is in farmers' hands for food and seed, and potatoes are being shipped in generally.

Fruit prospects in the Missouri valley and in Oklahoma were reported good up to the time of the cold weather March 17. The freeze damaged the peach, plum and early pear crop, according to reports, but to what extent is not yet known.

The Missouri farm outlook has steadily improved from month to month, according to March returns received by the Federal-State Crop Reporting Service. While farm labor is high, farmers are handling their land with as little expense as possible. A very general farm expression is that conditions are brighter and much better than a year ago. Farmers are showing more "pep" and are approaching spring work with courage.

Grain Movements

Arrivals of all classes of grain during February at Kansas City, Omaha, St. Joseph and Wichita were in greatly reduced volume as compared with arrivals in January, and, with the exception of oats and rye, which showed increases, were also considerably below arrivals during February of last year.

RECEIPTS OF GRAIN AT FOUR MARKETS OF TENTH FEDERAL RESERVE DISTRICT, FEBRUARY, 1923

| | Wheat | Corn | Oats | Rye | Barley | Kafir |
|------------------|------------|-----------|-----------|---------|---------|---------|
| Kansas City..... | 4,059,450 | 1,892,500 | 880,600 | 11,000 | 22,500 | 233,200 |
| Omaha..... | 1,654,800 | 2,602,600 | 1,028,000 | 186,200 | 43,200 | ..... |
| St. Joseph..... | 625,800 | 1,114,500 | 202,000 | ..... | 1,750 | 3,000 |
| Wichita..... | 1,136,400 | 147,600 | 25,500 | 4,800 | 7,200 | 9,600 |
| Feb. 1923..... | 7,476,450 | 5,757,200 | 2,136,100 | 202,000 | 74,650 | 245,800 |
| Jan. 1923..... | 11,828,700 | 7,109,100 | 2,988,000 | 318,200 | 211,100 | 457,100 |
| Feb. 1922..... | 12,227,100 | 6,555,050 | 1,665,300 | 174,500 | 221,700 | 538,000 |

The receipts of wheat at these four markets, 7,476,450 bushels for the month of February, were 36.8% below the January receipts and 38.8% below the receipts for February, 1922. In fact, the February receipts of wheat were the smallest for any month since April, 1922. It is also of record that the receipts at the four markets during the eight months of the current wheat year which began July 1, 1922, aggregated 117,336,400 bushels. This was 17,704,500 bushels or 13.1% less than the receipts for the corresponding eight months of the previous wheat year. There has been considerable competition for higher grades of milling wheat, but a preponderance of wheat of inferior grade has not tended to attract buyers, especially when export demands have been light.

Receipts of corn during February, 5,757,200 bushels, were 1,351,900 bushels less than the January receipts and 797,850 bushels less than the receipts in February, 1922.

The receipts of oats, 2,136,100 bushels, fell below the January total by 851,900 bushels, but were 470,800 bushels more than were received in February of last year.

Receipts of rye declined 36.5% from the January volume but exceeded that of a year ago by 15.8%. Receipts of barley in February showed a decrease of 64.6% from the January total and a decrease of 66.3% from the total one year ago. Kafir receipts were very light, being 46.2% below the previous month and 54.3% below the corresponding month last year.

FLOUR MILLING: Operations at the mills of the Southwest during the month of February were on a basis of 55.3% of capacity with a total of 1,431,259 barrels of flour produced. This total is 201,336 barrels or 12.3% below production during January, 1923, and 67,554 barrels or 4.5% less than total production in February, 1922, when the mills were operated at 62.8% of capacity. A summary of the reports of operation at the principal milling cities and also at interior mills, representing in all about 70% of the total flour production of the Southwest, is shown in the following compilation from the Northwestern Miller's reports:

| | Pct. Capacity Operated | Production Barrels |
|-----------------------------------|------------------------|--------------------|
| Kansas City..... | 65.5% | 348,324 |
| Omaha..... | 95.8 | 88,562 |
| Salina..... | 50.9 | 94,030 |
| St. Joseph..... | 46.8 | 88,746 |
| Wichita..... | 46.0 | 118,855 |
| Outside..... | 51.3 | 692,742 |
| Total, February, 1923..... | 55.3% | 1,431,259 |
| Total, January, 1923..... | 56.0 | 1,632,595 |
| Total, February, 1922..... | 62.8 | 1,498,813 |

Mills reported a fair volume of business in the forepart of February, but during the latter part of the month the flour trade was far from satisfactory to most of the millers. The first week in March brought some improvement in the booking of orders, though export trade was light.

Shipment of flour from Kansas City reported for the month were 404,950 barrels, compared with 427,375 barrels in February, 1922. Receipts were 53,625 barrels against 95,550 a year ago.

GRAIN ON FARMS: Reports of the Bureau of Agricultural Economics, United States Department of Agriculture, show that 44,255,000 bushels or 15.8% of the 277,337,000 bushels of wheat produced in Colorado, Kansas, Missouri, Nebraska, Oklahoma and Wyoming last year were still on farms March 1, 1923. The reports also show total farm stocks of corn aggregating 171,387,000 bushels, or 32.3% of 533,546,000 bushels of corn produced last year. Of 142,045,000 bushels of oats produced in 1922 in the six states it was estimated that 25.4% or 36,079,000 bushels had not left the farms on March 1.

The reports show that farm stocks of wheat on March 1 in Kansas, Missouri and Nebraska were larger than those of one year ago, while in Oklahoma the supplies of wheat on farms on March 1 this year was the lowest in the past three years, being only about 8% of the 1922 crop. Colorado and Wyoming stocks were also less than those on the corresponding date last year.

A large reduction in the stocks of corn on farms in Kansas, Missouri, Nebraska and Oklahoma occasions little surprise when it is considered that stock feeding operations in the corn belt during the winter have been larger than at any previous winter in history.

The present stocks of oats on farms, totaling 36,079,000 bushels for the six states, is the smallest in several years, due to the fact that the last two years crops of oats have been poor. Reserve stocks of barley in Kansas, Missouri and Nebraska, 27,185,000 bushels on March 1, were about normal.

Live Stock

Ranges and pastures throughout all sections of the Tenth Federal Reserve District have been benefitted by recent rains and snows. The improvement in the Southwestern district has been encouraging to the live stock interests which have suffered from the drought. Live stock is reported in good condition as a rule. All classes wintered better than usual on account of the abundance of feed and mild weather. There have been some losses of sheep and lambs this winter in western feeding sections.

MARKET MOVEMENTS: The movement of live stock to the principal markets of the District during February showed a slight decline from the heavy movement in January, but receipts of all classes of animals during the month were larger than in February of last year. Receipts of cattle, totaling 370,474 head at the six markets, were the lowest since April of last year, but were the largest February receipts since 1919. A total of 50,112 calves was received, a perceptible falling off as compared with several months previous, but the largest receipts of calves for the month of February in five years. Arrivals of hogs, totaling 990,990 head, with the exception of January, were the largest month's receipts at the six markets since May, 1920. Sheep receipts, aggregating 576,389, were the largest for February in five years. The total receipts of all classes of live stock at the six markets during the month of February were as follows:

| | Cattle | Calves | Hogs | Sheep | Horses Mules |
|----------------------------|----------------|---------------|------------------|----------------|---------------|
| Kansas City..... | 146,828 | 24,476 | 289,204 | 112,323 | 4,319 |
| Omaha..... | 113,089 | 6,460 | 338,058 | 250,667 | 1,495 |
| St. Joseph..... | 43,628 | 7,190 | 231,284 | 110,193 | 1,224 |
| Denver..... | 22,640 | 3,096 | 45,365 | 101,052 | 1,289 |
| Oklahoma City..... | 23,632 | 4,030 | 40,161 | 439 | 423 |
| Wichita..... | 20,657 | 4,860 | 46,918 | 1,715 | 1,701 |
| February, 1923..... | 370,474 | 50,112 | 990,990 | 576,389 | 10,451 |
| January, 1923..... | 520,644 | 69,933 | 1,135,839 | 624,385 | 18,551 |
| February, 1922..... | 359,595 | 40,746 | 754,080 | 481,261 | 7,641 |

The heavy movement of stocker and feeder live stock to the country, which has featured the markets for the past four or five months, showed a marked decline in February from the January movement. Shipments to the country of stocker and feeder cattle showed a decrease of 15.6% from the total in February of last year. The countryward movement of stocker and feeder sheep also was smaller than in January and in February a year ago. There was a very heavy movement of hogs to the country in February, which, though slightly under the total for January, was more than double the number shipped to the country in February of last year. The shipment of stockers and feed-

ers to the country in February from the four markets for which reports have been received were as follows:

| | Cattle | Calves | Hogs | Sheep |
|---------------------|---------|--------|--------|---------|
| Kansas City..... | 50,358 | 3,517 | 18,814 | 22,695 |
| Omaha..... | 28,983 | ..... | 956 | 18,099 |
| St. Joseph..... | 7,524 | 320 | 1,098 | 5,559 |
| Denver..... | 11,807 | 2,118 | 7,530 | 23,787 |
| February, 1923..... | 98,672 | 5,955 | 28,398 | 70,140 |
| January, 1923..... | 136,527 | 9,284 | 30,330 | 101,274 |
| February, 1922..... | 116,949 | 4,720 | 13,962 | 80,657 |

MEAT PACKING: Meat packers at the six principal centers of this District did a very large business during February, as measured by the total of their purchases of animals for slaughter. Although the number of animals slaughtered in February fell below the total for January, there were increases of 19.9% in cattle, 51% in calves, 35.4% in hogs, 33.5% in sheep over the totals for February, 1922. February operations were the largest as to slaughter of cattle and hogs since February, 1919, and of calves and sheep the largest February operations in five years. The purchases by packers of animals for slaughter in February follows:

| | Cattle | Calves | Hogs | Sheep |
|---------------------|---------|--------|---------|---------|
| Kansas City..... | 78,889 | 21,147 | 238,933 | 84,011 |
| Omaha..... | 67,717 | 2,274 | 233,208 | 148,708 |
| St. Joseph..... | 30,429 | 6,170 | 189,723 | 82,080 |
| Denver..... | 7,641 | 989 | 36,475 | 19,188 |
| Oklahoma City..... | 15,815 | 3,063 | 37,202 | 418 |
| Wichita..... | 4,033 | 2,913 | 42,932 | 243 |
| February, 1923..... | 204,524 | 36,556 | 778,473 | 334,648 |
| January, 1923..... | 266,539 | 47,134 | 939,988 | 380,555 |
| February, 1922..... | 170,563 | 24,205 | 575,089 | 250,634 |

Stocks of pork and pork products in Kansas City increased 7,492,200 pounds during February. The total stocks at the close of business February 28 were 59,512,600 pounds, against 52,020,400 on January 31 and 37,894,100 on February 28, 1922.

Mining

SOFT COAL: That there has been a checking of the recent downward trend in bituminous coal production in the United States is indicated by the preliminary reports of the United States Geological Survey for the week ending March 3. These reports show an increase of about 7% in the number of cars loaded during the week over the preceding week and a total output of approximately 11,000,000 tons for the week, as compared with 10,332,000 tons in the week of February 24. Soft coal production for the coal year (which began April 1, 1922) to March 3, 1923, was approximately 377,878,000 tons, as compared with 390,750,000 tons for the corresponding period in the previous coal year, 1921-1922, with indications that production for the present coal year, ending March 31, 1923, will fall short of the previous year's production about 20,000,000 tons.

Production at the mines in the coal states of the Tenth Federal Reserve District during February was at an average of 51.8% of capacity operation as compared with 57.8% of capacity in January and 58.2% of capacity in February, 1922. Of the 48.2% of loss in operation during February 32.3% was on account of "no market," 8.7% due to transportation disability and 4.6% due to mine disability. Transportation disability was the greatest factor in lost operation in Kansas, while Wyoming, New Mexico, Oklahoma and Colorado reported very heavy "no market" losses. The loss of operation due to various causes during

February is expressed in percentages of full-time capacity in the following:

| Losses Due To: | Colo. | Kans. | Mo. | N. M. | Okla. | Wyo. | 6 States |
|-------------------------|-------|-------|-------|-------|-------|-------|----------|
| Transportation | | | | | | | |
| Disability..... | 13.8% | 27.1% | 2.8% | 0.4% | 7.9% | 0.1% | 8.7% |
| Labor Shortage..... | 3.6 | ..... | ..... | ..... | 1.6 | ..... | 0.9 |
| Strikes..... | ..... | ..... | ..... | ..... | 3.1 | ..... | 0.5 |
| Mine Disability..... | 2.7 | 10.5 | 3.3 | 7.5 | 2.4 | 1.1 | 4.6 |
| No Market..... | 27.5 | 9.4 | 18.6 | 44.7 | 39.9 | 54.0 | 32.3 |
| All Other Causes..... | ..... | 3.6 | 1.0 | ..... | 2.9 | ..... | 1.2 |
| Percent All Losses..... | 44.0 | 54.2 | 25.7 | 52.6 | 57.8 | 55.2 | 48.2 |
| Percent Production.... | 56.0 | 45.8 | 74.3 | 47.4 | 42.2 | 44.8 | 51.8 |

Commercial stocks of bituminous coal in the United States on February 1, 1923, were estimated by the United States Geological Survey at 38,000,000 tons. This was 2,000,000 tons more than the stocks on January 1 and 16,000,000 tons more than on September 1, when mining was resumed in fields affected by the long strike. With the increased rate of consumption in January the stocks on hand February 1 would last only 24 days if evenly distributed.

COLORADO METAL MINING: The increased prices of lead and zinc seem to have stimulated production to a slight degree during the past month and have given increasing encouragement to Colorado metal mine operators. In general, there has been no particular change in conditions, but everything points to increasing activity when the weather conditions make it possible to renew operations in the various mining districts, most of which are more or less snowed up at this time of year.

ZINC AND LEAD: Market conditions for the month of February showed a steadily advancing price of both zinc and lead ores in the Missouri-Kansas-Oklahoma district. Shipments likewise showed increases throughout the month. Market range for zinc blende ran from \$41.00 per ton for the first week's average to \$45.00 per ton average for the last week of the month. The month's average was \$42.55 per ton, covering a tonnage of 57,425 tons. This was an average shipment of 14,356 tons per week. Calamine ores were also strong and advanced from a minimum of \$25.50 per ton for the first week of the month to an average of \$29.00 for the last week in the month. This was an average of \$27.53 per ton covering a tonnage of 575 tons, or an average of 144 tons per week. The surplus zinc ore stocks at the end of the month were estimated at 75,000 tons.

A comparison of this month with February one year ago shows a remarkable change in market conditions. The total shipments for February, 1922, were 27,000 tons, which compares with 57,425 tons this year. There were no shipments of calamine in February last year while this year shows a shipment of 575 tons. The average price in February one year ago was \$25.06 per ton, which compares with \$42.55 per ton this year.

Lead ores were equally as strong as zinc. The month opened at \$105.00 per ton and closed at \$114.00. The average for the month was \$109.34. The shipments for the month were 7,077 tons, or an average of 1,770 per week. Prices for lead ore one year ago were \$60.00 per ton, but shipments this year are 800 tons below last year.

Production conditions continue to be excellent and barring some cold weather during February and a continuance of the influenza epidemic, the mines had a very good month indeed. Announcements of further prospecting activities and the building of some new mills continue to be made as the spring months open. Despite the activity sufficient labor has been coming into the district to take care of all demands.

Petroleum

Crude oil production in Oklahoma, Kansas, Wyoming and Colorado during February was at an average of 587,329 barrels per day, which was 15,859 barrels per day more than the January average and 88,365 barrels above the average for February, 1922. However, the total output in February was 1,270,800 barrels less than January production, due to February being the shorter month. Compared with February of last year there was an increase for the month under review of 2,474,200 barrels. Total barrels production for February is here shown with figures for January, 1923, and February, 1922, for comparison:

| | *Feb., 1923 | **Jan., 1923 | **Feb., 1922 |
|---------------|-------------|--------------|--------------|
| Kansas..... | 2,264,000 | 2,421,000 | 2,457,000 |
| Oklahoma..... | 11,421,000 | 12,398,000 | 10,026,000 |
| Wyoming..... | 2,753,450 | 2,889,700 | 1,480,600 |
| Colorado..... | 6,750 | 7,300 | 7,400 |
| Total..... | 16,445,200 | 17,716,000 | 13,971,000 |

*—Estimated—American Petroleum Institute.
**—Official—United States Geological Survey.

Reports indicate fewer wells were completed during February than in January, but there was a larger volume of daily new production, while large increases over a year ago in both completions and new production were recorded for February. The summary of field operations:

| | Completions | Production | Dry | Gas |
|---------------------|-------------|------------|-----|-----|
| Kansas..... | 127 | 5,620 | 55 | 4 |
| Oklahoma..... | 431 | 108,981 | 119 | 52 |
| Wyoming..... | 30 | 8,420 | 2 | 0 |
| February, 1923..... | 588 | 123,021 | 176 | 56 |
| January, 1923..... | 675 | 101,765 | 217 | 95 |
| February, 1922..... | 442 | 67,953 | 95 | 43 |

New work in the fields was indicated by the combined reports for the three states which showed 2,322 rigs and wells drilling at the end of February, against 2,365 one month previous to that date and 2,497 at the end of February, 1922.

Stocks of crude oil continue to increase, with a total at the end of January of 89,193,735 barrels in Oklahoma and Kansas.

Survey of Credit Conditions in the United States

CREDIT EXPANSION OUTSIDE THE FEDERAL RESERVE BANKS.

The loans and investments of all Member Banks throughout the country, which give an accurate measure of the current public demand for credit, are now scarcely lower than they were at the height of credit expansion in 1920. The recent statement of the Comptroller of the Currency covering all Member Banks, both City and Country, permits the following comparisons:

| | Total Loans and Investments | Total Demand and Time Deposits |
|------------------------|-----------------------------|--------------------------------|
| November 15, 1920..... | \$26,108,000,000 | \$20,924,000,000 |
| December 31, 1921..... | 23,630,000,000 | 19,627,000,000 |
| December 29, 1922..... | 25,749,000,000 | 22,460,000,000 |

IN 1920 RESERVE BANK CREDIT WAS LARGELY USED.

The expansion during 1922 indicated in these figures took place substantially without calling into use the credit making powers of the Federal Reserve Banks. In 1920, on the contrary, the lending power of the Reserve Banks was used almost to the legal limit, and on November 12 on that year the reserve ratio of all twelve Federal Reserve Banks stood at 44 percent. On December 27, 1922, when the volume of Member Bank credit was practically the same as in the autumn of 1920, the reserve ratio was 72%. Indeed, during the whole of 1922 the reserve ratio was very high and varied little from week to week.

IN 1923 RESERVE BANK CREDIT IS LITTLE USED.

It will be seen from the foregoing that the reserve ratio is not under present conditions an accurate measure of the amount of bank credit in use. Its steadiness at a high level during 1922 was mainly the result of large imports of gold. In 1920 the gold in the country was about a billion dollars less than it is at present, and in order to supply the demands for credit and currency prevailing in that period the Member Banks drew heavily upon the Federal Reserve Banks. The immense volume of gold which has since come here from foreign countries has enabled the banks during the past year to satisfy the increased credit demands without increasing the amount of reserve bank credit in use.

PRESENT CREDIT INCREASE BASED ON INCREASED GOLD.

Almost all of the gold which comes in finds its way in natural course into the reserves of the Federal Reserve Banks, and thereupon becomes the basis for potential increase of bank deposits. This is because the banks are obliged by law to hold

in reserve only a portion of their deposits. Member Banks keep all of their reserves with the Federal Reserve Banks, on the average about one dollar of reserve to every ten dollars of deposits.

When additional gold is lodged with a reserve bank and is not used to pay debt owing to the reserve bank, it becomes the potential reserve for bank deposits of several times its face amount. The banks create these additional deposits when they make loans to customers or buy securities, the proceeds of which are deposited with them or with other banks. In 1922 gold imports amounted to \$238,000,000, while the loans and investments of all Member Banks throughout the Country increased \$2,100,000,000 and their deposits increased \$2,800,000,000 or roughly, ten times the amount of the additional gold.

THE EXTENT OF PRESENT INCREASE OF CREDIT.

The volume of bank deposits is now larger than ever before and the volume of bank loans and investments not much if any below the former maximum. The productive and distributing activity of the country is very near its capacity. It has already overtaxed our ordinary transportation facilities and in many departments of industry has caused a shortage of labor. Also the general lever of commodity prices has risen about 11 percent in a year. That this activity could have developed to such an extent without placing a strain upon the credit facilities of the whole banking system is in itself indication of the ample supply of credit available for use. And yet only the primary source of supply, that within the banks themselves, has been generally utilized. The secondary source, that of the Federal Reserve banks, which as has been indicated is now very great, has been but little used.

ABSENCE OF THE NATURAL CORRECTIVE, FREE GOLD MOVEMENTS

One of the natural regulators or correctives to a too rapid increase of bank credit is not now in operation. The United States is the only great nation of the world which is on a free gold basis. In ordinary times there is a delicate adjustment in international economic relations which causes the tide of gold to ebb and flow and so prevents an excessive accumulation in any one country. At such times a rapid increase of credit in any country, coupled with a rise in commodity prices, results in a falling off in its exports, an increase in its imports and ultimately in an outward flow of gold.

Such an outward flow tends to reduce the amount of credit available for use, and is ordinarily followed by a decline in prices and ultimately by a stimulation of export trade. At this time and for many months past this corrective has been absent because of financial disorganization abroad and on monthly balance the gold flow has been only one way, namely to the United States, to purchase goods and pay debts, and for other purposes.

In the absence of this automatic international corrective, changes in the volume of Bank credit in use in this country occur largely as a result of domestic influences, of which the economical use of bank credit may be one of the most important in preventing a too rapid increase in the credit volume. In 1919-1920 the use of bank credit was not only uneconomical but excessive and was accompanied by a speculative bidding up of prices without corresponding increases in the production and consumption of goods as well as by an increase in the cost of living without a corresponding increase in the general standard of living.

THE ACCOMMODATION OF CREDIT TO COMMERCE AND BUSINESS

It is clear that commerce and business are best accommodated as the Federal Reserve Act contemplates, by a volume of credit responsive to the changes in the physical volume of production and trade. It is also clear that nothing accommodates commerce and business less than a volume of credit fluctuating without reference to the needs of industry and agriculture. The more nearly the volume of credit, by economical use, remains commensurate with the legitimate needs of business, the better are accommodated not only commerce and business, but the welfare of every citizen.

Business Conditions in the United States

Continued active business is indicated by the maintenance of a high rate of industrial production, increases in freight traffic and employment, and a large volume of retail and wholesale trade.

PRODUCTION: The Federal Reserve Board's index of production in basic industries for February was at the same high level as in January. The index number for these industries is now approximately equal to the highest point reached in the past. Since the low point in July, 1921, there has been an increase of 61%. The volume of new building projected in February was exceptionally large for the season, particularly in Western districts. Railroad freight shipments have been increasing and the car shortage, which was somewhat relieved in December and January, became more marked in recent weeks.

A continued increase in industrial employment has been accompanied by further advance in wage rates in a number of industries. Many New England woolen mills announced a wage increase of 12½% effective April 30. A shortage of women workers has been reported in the textile, rubber, and garment industries, and there is a shortage of unskilled labor in many industrial centers.

TRADE: Wholesale and retail distribution of goods continued at a high level during February. Sales of both wholesale and retail concerns reporting to the Federal Reserve Banks were well above those of a year ago, but the increase was relatively more pronounced in wholesale trade. Mail order and chain store business was almost as large in February as in January despite the shorter month, and sales of 5 and 10 cent stores were actually larger than in January.

WHOLESALE PRICES: The Bureau of Labor statistics index of wholesale prices advanced slightly during February. Prices of metals, building materials and clothing increased,

while prices of fuels and farm products declined. Building materials and metals during the past year have advanced more than any other groups of commodities and are now about 25% higher than in March, 1922.

BANK CREDIT. Recent increases in industrial and commercial activity have been reflected in a larger volume of loans by Member Banks for commercial purposes especially in the New York, Chicago and San Francisco Districts. Loans of this character by reporting Member Banks are now approximately \$500,000,000 larger than at the end of December. This increase has been accompanied by a reduction in holdings of investments; so that there has been only a moderate net increase in total loans and investments.

The larger demand for funds has not led to any increase during the past month in the total volume of credit extended by the Reserve Banks. Total earning assets and loans to Member Banks on March 21 were approximately the same as four weeks earlier. Borrowings by Member Banks in the interior increased, particularly in the Chicago District, but borrowings by Member Banks in the New York District decreased. Since the end of February, there has been a small decline in the volume of Federal Reserve Notes circulation which is now at approximately the same level as six months ago. Other forms of currency in circulation, however, have recently increased.

The market rates on commercial paper advanced further to a range of 5 to 5¼% and the rate on bankers acceptances remained steady at about 4%. There has been a slight increase in the yield of short term treasury certificates as well as of government and other high grade bonds.

STATEMENT OF CONDITION, FEDERAL RESERVE BANK OF KANSAS CITY, INCLUDING BRANCHES At Close of Business March 21, 1923 RESOURCES

| | |
|--|-------------------------|
| Gold Coin and Certificates..... | \$ 3,032,055.50 |
| Gold Settlement Fund F. R. Board..... | 33,412,801.68 |
| Gold with Federal Reserve Agent..... | 53,553,100.00 |
| Gold Redemption Fund..... | 1,744,593.14 |
| Reserves Other Than Gold..... | 4,384,658.00 |
| Non-Reserve Cash..... | 3,651,076.52 |
| Bills Discounted for Member Banks: | |
| Secured by Govt. Obligations..... | 11,267,763.89 |
| All Other..... | 15,767,629.72 |
| Bills Bought in Open Market..... | 1,076,660.51 |
| U. S. Bonds and Notes..... | 32,931,250.00 |
| United States Cert. of Indebtedness..... | 5,871,500.00 |
| Bank Premises..... | 4,831,447.74 |
| 5% Redemption Fund Against F. R. Bank Notes..... | 200,000.00 |
| Uncollected Items..... | 38,697,888.24 |
| All Other Resources..... | 973,112.04 |
| Total Resources..... | \$211,395,536.98 |

LIABILITIES

| | |
|---|-------------------------|
| Capital Paid In..... | \$ 4,638,800.00 |
| Surplus..... | 9,488,299.89 |
| Deposits: | |
| Government..... | 5,300,099.54 |
| Member Banks, Reserve Account..... | 83,232,932.29 |
| All Other..... | 938,689.10 |
| F. R. Notes in Actual Circulation..... | 63,759,185.00 |
| F. R. Bank Notes in Actual Circulation..... | 1,485,256.00 |
| Deferred Availability Items..... | 42,008,300.84 |
| All Other Liabilities..... | 543,974.32 |
| Total Liabilities..... | \$211,395,536.98 |

OTHER TOTALS

| | |
|---|------------------|
| Total Gold Reserves..... | \$ 91,742,550.32 |
| Total Discounted and Purchased Bills Held..... | 28,112,054.12 |
| Total Earning Assets..... | 66,914,804.12 |
| Total Deposits..... | 89,471,720.93 |
| Ratio of Total Reserves to Deposit and Federal Reserve Notes Liabilities Combined..... | 62.7% |
| Total Clearings for Week..... | \$194,691,745.98 |
| Total Number of Items Handled..... | 1,206,469 |